B1150-1.1

MEN'S CHANGING ROLE

IN THE FAMILY OF THE '80s

AN AMERICAN CONSENSUS REPORT

Benton & Bowles, Inc.
Research Services
909 Third Avenue
New York, N. Y. 10022

September, 1980

INTRODUCTION

Much attention has been lavished in recent years on the changing roles and status of women, but it is becoming increasingly clear that the roles and attitudes of men have been changing as well. In comparison with the wealth of data on women, however, there has been little research conducted among men -- especially men in family situations.

In order to find out how men are responding to these new family relationships, Benton & Bowles initiated a study among the husbands of its Consumer Panel members. The goals were:

- to assess husbands' attitudes toward their family role and that of their wives
- to examine husband involvement in performing household chores
- to explore the husband's role (vis-a-vis his wife's) in influencing family decisions and brand choice.

METHOD

The study was conducted by mail among the husbands of members of the Benton & Bowles Consumer Panel. The B&B Consumer Panel consists of 4,000 households - four panels of 1,000 households each - representative of the U.S. population as a whole. A total of 617 questionnaires were sent out to qualifying households (married panel members) within one of these four 1,000 household panels; completed usable questionnaires were received from 452 husbands (73%).

Mailing was completed in February, 1980 with all usable responses obtained by the end of March.

Question areas included:

- Household activities performed by husband
- Attitudes toward changing male/female roles
- Brand selection influence

HIGHLIGHTS OF FINDINGS

- Men are taking on a wide variety of non-traditional family roles:

  - They are unexpectedly fairminded about acknowledging their responsibilities in helping out with the housework.

  - And they're not just paying lip service to this responsibility: our survey shows that men are doing many household chores in quite significant numbers.

  - The chores they report doing range from the more expected dish-washing and taking out the garbage, to such non-traditional chores as shopping for food, cooking for the family, doing the laundry, cleaning the bathroom, and taking care of the children.

  - Perhaps because of their participation in these spheres, men are becoming more involved in helping select many of the brands used in their homes -- including products related to cooking, cleaning, and child care.

- Despite their growing involvement in these non-traditional areas, however, the men surveyed are experiencing a great deal of conflict and ambivalence about their changing family roles. There is evidence that these new roles and the values they represent are being met with some upheaval on the emotional level:

  - One indication of this conflict is the divided nature of the attitudes which many men express. There seems to be a desire to hold onto many of the traditional family values, while at the same time also accepting some of the "emerging values" -- which stress the greater flexibility of male/female roles.

    An example of this ambivalence in attitudes is that while 6 out of 10 men believe,

    > "the family is stronger if husband and wife share responsibilities, including providing income for the family,"

    70% also agree with the opposing view:

    > "unless it's an economic necessity, a family is better off if the woman of the house does not work."

- Looking at the four distinct groups which were found to make up the population, we see that two segments -- at opposite ends of the spectrum -- experience relatively little conflict:

  "The Progressives" are the group most comfortable with the "emerging values." They have freed themselves of many of the traditional ways of thinking about male/female roles and their behavior is consistent with these attitudes - they are very active in performing the household chores.

  "The Traditionalists" are also comfortable with their values -- which reflect a firm and unambivalent adherence to traditional family roles and relationshps. Their behavior is also consistent with these attitudes -- "Traditionalists" tend to show little involvement in the household chores.

- Two groups do, however, exhibit a great deal of conflict and ambivalence toward these new roles:

  "The Ambivalents" are clearly in conflict over the collision between the traditional family values and the "emerging values." Their attitudes toward changing family roles are strikingly inconsistent -- often contradictory. Despite this ambivalence,

however, this group is by far the most active -- after the "Progressives" -- in helping out with the domestic chores.

The "All Talk, No Action" segment experiences a different kind of conflict: their behavior lags far behind their attitudes. While these men tend to think "progressively" (they are the closest group attitudinally to the "Progressives"), their behavior tends to be decidedly traditional -- they show much lower involvement in doing the domestic chores than their attitudes would indicate. Since changes in behavior are generally preceded by changes in attitudes, we expect members of this group to resolve their conflict by becoming more involved with the domestic chores in the coming decade -- thus bringing their behavior in closer alignment with their attitudes.

- We believe that the wave of the future will be toward a wide-ranging adoption of the emerging values, and a greater acceptance of the flexibility of men's and women's family roles. Although the near-term picture will be marked by continued ambivalence and conflict on the part of many men, a look at several of our key findings suggests a pattern for the coming decade:

- Men with employed wives are more willing to accept these new values and new roles than men whose wives aren't working.

- Younger husbands (under 35) are much more comfortable with these "new values" than older men. The "Progressives" and the "All Talk, No Action" segments, our two youngest groups (accounting for 45% of all husbands), have accepted these emerging values. Thus, the attitudes and behavior of younger men suggest that the future will see more and more husbands who adopt and are comfortable with these new values and changed roles.

IMPLICATIONS OF THE STUDY

The dramatically changing roles of men and the conflict these changes have given rise to will affect the marketing of household products in a number of spheres:

Products

- Increased male use of once traditionally female household products will have significant impact on new product development, line extensions, product modification:

  - Product needs of male users will be increasingly considered in categories where men play an important role in selection and use.

  - This will mean more product testing among men, as well as research to identify unfilled needs of men.

  - Packaging will project an image compatible with men's use.

Advertising

- Advertising for household products will begin to portray men more often in domestic activities. They will be presented in active and competent roles: cooking, cleaning, shopping.

  - Such a portrayal presents new opportunities for interesting and memorable situations in advertising.

- Advertising can make use of men's current ambivalence toward changing family roles by:

  - recognizing and articulating men's concerns about their new roles. Humorous and/or emotionally affecting situations can arise from the conflict between men's new roles and their traditional ones.

- Product advantages significant to male users will become part of the advertising message for household products. It will be desirable to:

  - reassure a male purchaser that the product meets his criteria of product advantages and carries the appropriate brand image

  - support female selection of brand with product benefits compatible with her needs and important to a potential male user.

Media

- Non-traditional media vehicles for household products will become more of a factor in the media mix. Recipe ads, for example, may very well appear in books like Esquire or Playboy. Commercials for dish-washing detergents might be placed in Monday Night Football.

FINDINGS

This survey shows that a major change is underway in the man's role in the family.

One signal of this change is the attitudes men express about who in the family should do the domestic chores -- the men surveyed show a willingness and fair-mindedness in acknowledging their responsibility in helping out with the household chores.

The men were asked who they thought should be responsible for doing the household chores in two hypothetical instances: if a wife is employed outside the home, and if a wife is not employed. Their responses:

- If a wife is employed outside the home, almost 9 out of 10 men (88%) feel that the husband should at least "help out" with these chores. More than half of the men surveyed (54%) feel that if the wife is working the domestic chores should be the "equal responsibility of the husband and wife."

- Even if a wife is not employed, about half (53%) of the men say the husband should at least help out with the chores.

Furthermore, it is not an "all talk, no action" position for the men.

When asked if they had done any of a variety of household chores in the previous two weeks, the men say they are doing not only the more obvious domestic chores, in fairly large numbers -

- take out garbage (74%)
- shop for extra food (66%)
- wash dishes (53%)

a rather surprising number, also, are assuming tasks once regarded as strictly "women's work." In a given two-week period, one-quarter to one-half of the men take on chores from food shopping, to cooking, to laundry and house cleaning. Specifically,

- 80% take care of the children *
- 47% help cook a family meal
- 39% vacuum the house
- 33% cook entire meal for the family
- 32% do main food shopping
- 29% do the laundry

* In HH with kids under 12.

As was seen earlier, the men surveyed overwhelmingly agree that if a wife is employed, her husband should help out with the household chores. In keeping with these attitudes, we see that the men whose wives are in fact employed are actually much more likely to help out with the chores than men whose wives are not employed:

	Wife Employed	Wife Not Employed
Help cook a family meal	55%	42%
Vacuum the house	45	33
Do the laundry	36	25
Clean the bathroom	28	20

Another signal of the changing role of men is their emphatic rejection of the idea of the husband as sole decision maker for the family:

- Husbands overwhelmingly agree (88%) that most important family decisions should be made jointly. Only one man in ten thinks the husband should have the "final say."

Still another measure of the growing involvement of men in household activities is their substantial influence on brands used in the home. Of 19 categories covered, more than half of the men reported directly influencing the brand in 9 categories - ranging from disposable diapers, to pet food, to bar soap and toothpaste. The husband influences brand choice either via a request to his wife, or by purchasing the product himself on a shopping trip:

	Male Influence	
	Total	Bought Directly
Disposable Diapers[1]	70%	62%
Soft Drinks	65	56
Breakfast Cereal	63	46
Pet Food[2]	61	54
Beer	59	53
Bar Soap	58	44
Deodorant	55	44
Toothpaste	52	40
Shampoo	51	41
Cookies	50	41

[1]In households with kids under 3.

[2]Based on estimated 55% of households with pets.

In the remaining categories, spanning coffee to laundry detergents, one-quarter to one-third of the men influence the brand purchased:

	Total	Bought Directly
Coffee	41%	32%
Mouthwash	33	25
Toilet Tissue	33	25
Orange Juice	30	24
Froz. Pizza	26	21
Froz. Veg.	25	22
Paper Towels	25	20
Detergent	24	18
Froz. Baked Goods	23	19

The high level of influence on brand undoubtedly comes about through the growing involvement of men in tasks like meal preparation, child care, laundry, etc.

Despite their growing acceptance of a new role for themselves, and agreement that men and women should share home-making duties and family decisions, men continue to hold on to values which reflect a much more traditional view of family relationships:

- Almost 85% believe that "the man should be the main provider for the family."

- Seven out of ten think that "unless it's an economic necessity a family is better off if a wife does not work."

- Six out of ten believe that "a woman's place is in the home."

We believe this shows that men's feeling about the changing family roles are marked by ambivalence and conflict. One indication of this conflict is that while more than six out of ten men (62%) agree that

> "the family is stronger if husband and wife share responsibilities, including providing income for the family,"

at the same time, 70% also agree with the opposing view:

> "unless it's an economic necessity a family is better off if the woman of the house does not work."

More signs of the conflict are evident in other attitudes expressed towards women working. The following statements supporting the idea of women working gain nearly as much support as the opposite notion, that "a woman's place is in the home":

- Women who are employed outside the home are more likely to be satisfied with their lives than those who are not (56%).
- It is a good thing that more women are employed outside the home (42%).

In other words, while many men are still strongly drawn to some of the old notions and beliefs, many of them are <u>at the same time</u> also taking on a set of "emerging values."

Not all men, of course, feel this conflict equally. In order to help further understand the dynamics of this conflict, a <u>cluster analysis</u> was performed. The individuals in our study were grouped according to similarities in their attitudes and behavior. Our analysis indicates that <u>four distinct groups</u> of husbands, each group markedly different from the others, make up the population.

<u>Two groups</u> which experience <u>relatively little conflict</u> occupy opposite ends of the spectrum. Members of each group tend to be <u>secure</u> and <u>comfortable</u> with their attitudes and behavior:

- "The Progressives." Although they currently represent only 13% of the population, their importance is greater than their numbers would indicate. Their demographic profile suggests that they may be "thought leaders": they are young (50% are under 35), well-educated (40% are college graduates), and moderately affluent (4 in 10 have household incomes over $20,000).

  This group is most comfortable with changing male/female roles, expressing little of the ambivalence we see in the total sample:

  - Four out of 5 feel that a family is stronger if responsibilities (including providing income for the family) are shared by the husband and wife.

  - Only 15% believe that "a woman's place is in the home."

  Their behavior is consistent with these attitudes:

  - Nine out of 10 wash the dishes
  - 70% cook entire meals for the family
  - 80% vacuum
  - Almost two-thirds do the main food shopping

- "The Traditionalists." This is the largest group -- representing 39% of the population. The "Traditionalists" tend to be older (65% are over 45) and less well-educated (only 10% are college graduates).

  Their attitudes reflect a firm and unambivalent adherence to traditional family values:

  - Only 39% feel that a family is stronger if responsibilities (including providing income for the family) are shared by the husband and wife.

  - 84% believe that "a woman's place is in the home."

  Their behavior is consistent with these attitudes - "Traditionalists" do very little housework:

  - Only 34% wash the dishes
  - One in 10 cooks entire meals for the family
  - 22% vacuum
  - Only one in 5 does the main food shopping

Two groups do however, exhibit a great deal of conflict and ambivalence toward these new roles:

- "The Ambivalents." This group represents 15% of the population. They tend to conform to the national average in most demographic respects.

  The "Ambivalents" are clearly in conflict over the collision between the traditional values and the "emerging values." Their attitudes toward changing family roles, for instance, are strikingly inconsistent:

  - 85% of this group, for example, agree that "A family is better off if the woman of the house does not work"; at the same time, 70% also agree that a family is stronger if responsibilities (including providing income for the family) are shared by the husband and wife.

  - A majority (60%) think that a woman's place is in the home; and yet a majority (53%) also feel that "It is a good thing that more women are now employed outside the home."

Yet despite this ambivalence, these men are by far the most active group -- after the "Progressives" -- in helping out with the domestic chores:

- Almost 80% wash the dishes
- 6 out of 10 do the main food shopping
- 49% cook entire meals for the family
- Nearly half vacuum

- The "All Talk, No Action" Segment. This is a large (representing 33% of the population), potentially important group. They are young (40% are under 35), moderately affluent (4 in 10 have household incomes over $20,000), but only average educationally (15% have graduated college).

  This segment is marked by a different kind of conflict: their behavior is clearly at odds with their attitudes. This group tends to think rather "progressively," but their behavior tends to be decidedly traditional. In a sense, their behavior has not yet caught up to their attitudes.

Thus, members of this group have to a great degree accepted many of the "emerging values":

- 77% feel that a family is stronger if responsibilities (including providing income for the family) are shared.
- Seven in 10 believe that working women are more satisfied with their lives than women who don't work.
- Only 44% believe that "a woman's place is in the home."

And yet, despite these forward-looking attitudes, their involvement in the household chores is lower than any other group except the "Traditionalists":

- Only half wash the dishes
- One-third cook entire meals for the family
- 40% vacuum
- Only 1 in 5 does the main food shopping

Since changes in attitude generally precede changes in behavior, we expect members of this group to resolve their conflict by becoming more involved with the domestic chores -- thus bringing their behavior into closer alignment with their attitudes.

This chart summarizes the responses to a number of statements concerning male/female roles. It shows the clear delineation of attitudes among the cluster groups we've been discussing -- from the more modernistic "Progressives" to the more conservative "Traditionalists" -- and reveals the striking conflict in attitude of the "Ambivalents."

	% Agreeing			
Base: Total Sample	Progressives (59) %	"All Talk, No Action" (149) %	Ambivalents (68) %	Traditionalists (177) %
Traditional Attitudes				
It's up to the man to be the main provider for the family.	53	81	90	93
Unless it's an economic necessity, a family is better off if the woman of the house does not work.	34	52	85	90
A woman's place is in the home.	15	44	60	84
Non-Traditional Attitudes				
A family is stronger when the husband and wife share responsibilities, including providing income for the family.	83	77	69	39
Women who are employed outside the home are more likely to be satisfied with their lives than those who are not.	76	71	68	32
It is a good thing more women are now employed outside the home.	59	48	53	27

This table summarizes the groups' actual domestic behavior in a given two week period, revealing the glaring inconsistency between the behavior and the attitudes of the "All Talk, No Action" segment:

Base: Total Samples	Progressives (59) %	"All Talk, No Action" (149) %	Ambivalents (68) %	Traditional-ists (177) %
Wash dishes	92	49	78	34
Main food shopping	64	20	62	20
Cook entire family meal	71	33	49	12
Help cook family meal	85	54	57	24
Vacuum the house	80	40	48	22
Do the laundry	61	31	40	11
Clean bathroom	53	22	38	15

It appears that the near-term picture will be marked by continued ambivalence and conflict on the part of many men. Looking at several key findings, however, a relatively clear picture emerges for the rest of the decade:

- Men with employed wives are more willing to accept these new values and new roles than men whose wives aren't working. As more women enter the labor force in the 1980s (by 1990 six out of ten women will be employed), this group will become increasingly important.

  We have seen earlier that husbands of employed wives tend to do more household chores than average. Their attitudes also tend to be more accepting of these changing roles:

  - 56% of men with employed wives think it is a "good thing" more women are now working -- vs. 31% of husbands with non-employed wives.

  - 73% of men with working wives think that a family is stronger if responsibilities, including providing income for the family, are shared -- only 48% of men whose wives don't work outside the home believe this.

- We also find that younger husbands (under 35) are much more comfortable with these "emerging values" than older men.

  - Younger men are much more committed to the idea of sharing the responsibility for household chores:

-- Even in cases where the wife is not employed, 70% of this younger group feels that the husband should be responsible for at least helping out with the chores -- only 45% of husbands 35 and over feel this way.

- And younger husbands take on a wider variety of household chores:

	Under 35	35 and Over
-- help cook a family meal	63%	42%
-- cook entire family meal	42	30
-- vacuum	49	35
-- do the main food shopping	39	28
-- do the laundry	38	27

- Perhaps most significant, this younger group shows far less ambivalence towards changing male/female roles. Younger husbands express more unequivocal acceptance of these changing roles:

-- Young men are much more likely to think it's a good thing that more women are working (61% vs. 37%),

-- and, they are far less likely to feel that "a woman's place is in the home" (33% vs. 67%).

- Finally, the two segments which show the greatest acceptance of these emerging values -- the "Progressives" and "All Talk, No Action" segments -- both tend to be young groups: 50% of the "Progressives" and 40% of the "All Talk, No Action" segments are under 35.

Thus, we believe that the wave of the future -- seen in the attitudes and actions of younger men, and men with employed wives -- will be toward adoption of the emerging values, and a greater acceptance of the flexibility of men's and women's family roles.

B&B NEWS

Release: September 24, 1980

Contact: Joan Aho
(212) 758-6200

FIRST "AMERICAN CONSENSUS" REPORT FROM BENTON & BOWLES FINDS MARRIED MEN IN DEEP CONFLICT OVER CHANGING FAMILY ROLES

The first in a new series of research reports conducted by Benton & Bowles Research Services Department surveys "Men's Changing Role in the Family of the '80s." The study launches a new series called "American Consensus" which will probe contemporary social and economic issues among members of the Benton & Bowles Mail Panel. The panel consists of 4,000 households -- four panels of 1,000 households each -- matched to all U.S. households in terms of key demographic characteristics. For the current study, a total of 617 questionnaires was sent to qualifying households (married panel members) within one of the four panels. Completed, usable questionnaires were received from 452 husbands (73%).

The study of "Men's Changing Role in the Family of the '80s" concludes that despite the American husband's growing involvement in non-traditional areas of responsibility within the family, he experiences a great deal of conflict and ambivalence about assuming these responsibilities.

-more-

New Roles

The study confirms that men are assuming a wide variety of non-traditional family roles: husbands surveyed report they are doing such non-traditional chores as shopping for food (32%); cooking for the family (47%); doing the laundry (29%); cleaning the bathroom (28%) and taking care of the children (80%, in households with children under 12). This increasing involvement in household activities has resulted in substantial male influence on brands used in the home. For example, of 19 categories covered, more than half of the men reported directly influencing the brand in 9 categories -- ranging from disposable diapers to pet food to bar soap and toothpaste. In the remaining categories, spanning coffee to laundry detergents, one quarter to one third of the men influence the brand purchased.

Evidence of Conflict

At the same time, there is evidence that the new roles and values they represent are causing considerable emotional upheaval.

Specifically, while 62% believe that "the family is stronger if husband and wife share responsibilities, including providing income for the family," 70% also agree with the opposing view: "Unless it's an economic necessity, a family is better off if the woman of the house does not work." Furthermore, while 60% support the notion that "a woman's place is in the home," 56% also believe that "women who are employed outside the home are likely to be

more satisfied with their lives than those who are not" and 42% think it is a "good thing that more women are employed outside the home."

Based on this evidence, the B&B study concludes that while many men still resist the idea of changing roles within the family, they are, at the same time, drawn to a set of "emerging values."

Four Groups Identified

To help understand the dynamics of this conflict, the study probed further and grouped individuals according to similarities in their attitudes and behavior. This analysis of four distinct groups of husbands, each group markedly different from the other, clearly indicates that not all men feel this conflict equally. Of the four distinct groups, called "Progressives," "All Talk, No Action," "Ambivalents," and "Traditionalists," it was found that the two segments at opposite ends of the spectrum (Progressives and Traditionalists) experienced relatively little conflict.

Four out of five Progressives (currently 13% of population) feel that a family is stronger if responsibilities (including providing income for the family) are shared by the husband and wife; only 15% believe that "a woman's place is in the home." Consistent with these attitudes, Progressives are very active in performing household chores. Nine out of 10 do the dishes and 70% cook entire meals for the family.

Equally comfortable with their roles at the other end of the spectrum, 84% of the Traditionalists (currently 39% of the population) believe that "a woman's place is in the home," and demonstrate their adherence to this belief by their behavior. One in 10 cooks for the entire family and only 34% wash the dishes.

The greatest degree of conflict and ambivalence was found in the remaining two groups:

The Ambivalents -- representing 15% of the population -- are strikingly inconsistent in their attitudes: 85% agree that "a family is better off if the woman of the house does not work" while 70% also agree that "a family is stronger if responsibilities are shared by the husband and wife." A majority (60%) think that "a woman's place is in the home" and yet a majority (53%) feel that "it is a good thing that more women are now employed outside the home."

The All Talk, No Action segment -- representing 33% of the population -- is marked by a different kind of conflict in that their behavior is clearly at odds with their attitudes. They tend to think progressively, while acting like traditionalists. Thus, while 77% feel that "a family is stronger if responsibilities are shared," only 50% will wash the dishes and only 1 in 5 does the main food shopping.

Broad Implications

According to the study, the wave of the future points towards a wide-ranging adoption of the emerging values and a greater acceptance of the flexibility of men's and women's family roles. Although the near-team picture will be marked by continued ambivalence and reluctance to change on the part of many men, a look at several key findings suggests a pattern for the coming decades:

Men with employed wives will be more willing to accept these new values and roles than men whose wives aren't working. Also, husbands under age 35 will be much more comfortable with the new values than older men. Comprising the younger groups are the Progressives and the All Talk, No Action segments. Their attitudes and behavior suggest that more and more husbands will adopt such values and become more comfortable in their changed roles.

Increased male use of once traditionally female household products will have a significant impact on new product development, line extensions, and product modification. Therefore, product needs of male users will be increasingly considered in categories where men play an important role in selection and use. This will mean more product testing among men, as well as research to identify the needs of men.

Implications for Advertising

Implications of the findings related to men's involvement in household activities and their influence in brand selection suggest that advertising for household products will portray men more often in domestic activities; perhaps presenting new opportunities for interesting and memorable advertising messages. Furthermore, the B&B study foresees a general trend in advertising toward recognizing and articulating men's concerns about their new roles. As a result, humorous and/or emotionally affecting situations may be presented, illustrating the conflict between men's new roles and their traditional ones.

The new "American Consensus" series will consist of three major studies a year on subjects of broad, general interest.

# # #

B1150-1.2

THE NEW TV TECHNOLOGIES:
THE VIEW FROM THE VIEWER

AN AMERICAN CONSENSUS REPORT

©Benton & Bowles, Inc. March 1981
909 Third Avenue
New York, N.Y. 10022

TABLE OF CONTENTS

	Page
INTRODUCTION	1
METHOD	2
REPRESENTATIVENESS OF FINDINGS	3
HIGHLIGHTS AND IMPLICATIONS	4
DETAILED FINDINGS	18
CABLE TV	
FINDINGS	21
CONCLUSIONS AND IMPLICATIONS	28
PAY-CABLE	
FINDINGS	33
CONCLUSIONS AND IMPLICATIONS	35
ADVERTISING ON CABLE	
FINDINGS	37
CONCLUSIONS AND IMPLICATIONS	40
VIDEO CASSETTE RECORDERS	
FINDINGS	42
CONCLUSIONS AND IMPLICATIONS	47
VIDEODISC PLAYERS	
FINDINGS	49
CONCLUSIONS AND IMPLICATIONS	52
INTERACTIVE TV	
FINDINGS	54
CONCLUSIONS AND IMPLICATIONS	58
NEW PROGRAMMING	
FINDINGS	60
CONCLUSIONS AND IMPLICATIONS	65
TABLES	66

INTRODUCTION

Television is in the midst of great changes. The days of program choice limited to three networks and a few local stations are long gone. With the rapidly accelerated availability of and interest in Cable Television, a new era of fantastic diversity in programming is upon us. New systems are capable of delivering ten times the channels that were previously available.

New forms of technology also have the potential to change the nature of television. Video Cassette Recorders free the viewer from the schedule, allowing an owner to tape any broadcast for viewing at his convenience. Both Video Cassette Recorders and Videodisc Players will offer a variety of materials for purchase and play over television.

Present technology also has the capacity to make the television set an interacting part of a computer information system. Information retrieval, merchandise ordering, and burglar alarm systems are just some examples of the diverse and innovative systems that may be connected to television.

These changes may have dramatic effects upon the nature of broadcasting, marketing, and indeed on life in general in the 1980's and beyond. With the rising costs of transportation and outside entertainment, the home may increasingly be seen as a personal entertainment center stocked with new video technology.

As part of Benton & Bowles' continuing interest in keeping on the leading edge of consumer feelings about a broad range of issues relevant to the marketing and advertising of products and services, this current American Consensus Study was undertaken. It seeks to assess the public's reaction to the new video technologies -- are people interested or intimidated, excited or indifferent, aware or confused?

Because of the importance of these technologies to the marketing and communications industries, we consider this study a benchmark view which will be followed up periodically to reflect changes in consumers' interactions with these new media.

METHOD

The study was conducted by mail using the Benton & Bowles Consumer Panel. The B&B Consumer Panel consists of 4,000 households - four separate panels of 1,000 households each - with each panel being representative of U.S. households as a whole in terms of

- geographic region
- market size within region
- income within region
- age within income

In two of these panels, the survey was conducted among the female head of household (1,772 questionnaires delivered to qualifying households), while in the other two panels responses were obtained from the husbands of married Panel members (1,066 questionnaires delivered only to households with husbands present). Of the 2,838 delivered questionnaires, 2,163 usable returns were received - a completion rate of 76%.

Mailing was conducted in November, 1980, with all usable returns received by the end of the year.

Question areas included:

- Awareness, penetration, and perceptions of Cable and Pay-Cable TV
- Awareness, ownership, and attitudes toward Video Cassette Recorders and Videodisc Players
- Attitudes toward advertising on Cable
- Attitudes toward new two-way TV systems
- Interest in TV programming subjects

REPRESENTATIVENESS OF FINDINGS

In order to accurately measure consumers' reactions to the new TV technologies, it was important to conduct this study among a large, highly representative sample of U.S. households. The Benton & Bowles Consumer Panel was selected as the sampling frame for the study due to its ability to meet these strict sampling requirements.

The representative nature of the Panel is evidenced by the fact that data from the study are in strong agreement with current industry estimates regarding several general measures. These measures include:

	Study Findings	Industry Estimates
Cable TV availability (homes passed)	52%	50%
Cable TV subscription	55%	50%
Pay-Cable subscription	48%	46%
VCR ownership	2.6%	2-3%

This high degree of consistency on these general measures strongly suggests that the study findings as a whole are highly projectable to total U.S. households.

HIGHLIGHTS AND IMPLICATIONS

HIGHLIGHTS AND IMPLICATIONS

This first section highlights the major findings of this study and the implications B&B sees for marketing and advertising the various products and services comprising the new communications technologies. The remainder of the report provides more detailed and complete coverage of methodology and findings.

CABLE TV FACES A SUBSCRIPTION RATE BARRIER ...

- 55% of households where Cable TV is available subscribe to the service
- Subscription interest is parallel where Cable is not available - 53% of these households would like to subscribe
- Most Cable TV rejectors - people who have access to Cable but do not subscribe - have little or no interest in subscribing in the future (79%)

Without product or marketing changes, the Cable TV subscriber rate will not go much beyond the present level.

EMPHASIZING PROGRAM DIVERSITY IS THE WAY TO BREAK THROUGH THE BARRIER ...

Cable rejectors give two main reasons for not subscribing

- Cost - not wanting to pay money to watch TV (49%), and feeling that Cable TV is too expensive (48%) and
- Lack of need for improved TV reception (49%)

Emphasizing program diversity is the way to break this resistance

- Among newer Cable subscribers, the most important reasons for subscribing are to get more channels (62%), more movies (54%), and different kinds of programs (52%)

Better reception is declining rapidly in importance

- Only 35% of recent Cable subscribers, as opposed to 74% of long-term subscribers, cite improved reception as a very important reason for having purchased Cable TV

These facts clearly show that as Cable TV becomes available in new areas, subscribers will be looking for program diversity. Further, because reasons for subscribing to Cable have changed dramatically in recent years, people who previously rejected Cable may now be much more interested in what Cable has to offer. Among all of these potential customers (new prospects and previous rejectors) Cable TV growth will depend upon communicating the value of Cable by addressing ...

- Program Diversity -- Marketing and advertising for Cable TV should not just play up one or two of the programming features such as Pay-Cable or sports. Rather, emphasis must be placed on communicating the tremendous diversity provided by Cable -- old and new movies, out of town stations, news and information shows, and the different or specialized types of programs available

- Cost Concerns -- Marketing of Cable must convince potential subscribers of the value of Cable in enhancing viewing enjoyment. Promotional activities which reduce the cost, at least initially, to new subscribers should be considered

PAY CABLE IS FAST BECOMING AN INTEGRAL PART OF THE CABLE TV PACKAGE -- IT MAY BECOME THE REASON FOR BUYING BASIC ...

- 70% of recent Cable purchasers (less than two years ago) subscribe to Pay-Cable TV, while only 25% of long-term subscribers (5 years or more) also buy Pay-Cable
- In the last few years, Pay-Cable has more than doubled in importance as a reason for subscribing to basic Cable TV

If this trend continues, and there is every reason to believe it will, the desire for Pay-Cable and its offering of program diversity may be the power behind the sale among new Cable subscribers.

Although Pay-Cable does and will continue to do extremely well among new Cable households, the majority of present Cable subscribers does not subscribe to a Pay-Cable service. In order to maximize long-term profitability, it will be necessary for the Pay-Cable industry to successfully market Pay services to these previous rejectors.

PRICE IS AND WILL CONTINUE AS A SERIOUS OBSTACLE TO PAY-CABLE TV GROWTH ...

Price is currently the most important reason for not subscribing to Pay-Cable TV, and growing in importance

- 57% of recent Pay-Cable rejectors do not subscribe because the service is too expensive, while 40% of rejectors five or more years ago did so for this reason

Program disinterest is declining as a reason for rejecting Pay-Cable TV

- Only 20% of recent Pay rejectors cite program disinterest as a very important reason for their rejection, compared to 46% of earlier rejectors

As these trends continue, and particularly as costs increase, keeping the subscription price as low as possible will be crucial to the successful growth of Pay-Cable TV.

ADVERTISING WILL PLAY A VITAL ROLE IN THE SUCCESS OF PAY-CABLE TV ...

Greater use of advertising on Cable TV can successfully be used to overcome price resistance -- the most serious obstacle to the growth of Cable TV services

- Cable subscribers would welcome advertising on Pay-Cable, if it lowered the cost of the service
  - 63% of current Pay-Cable subscribers have interest in such a service
  - Even 47% of Pay-Cable rejectors would like to subscribe at a lower cost made possible by advertising

Advertising will grow dramatically on basic Cable as well

- Commercial-free TV is relatively unimportant to Cable TV subscribers -- among recent subscribers this is only the 8th most important reason for buying basic Cable

Advertising on Cable and Pay-Cable TV can help to provide programming quality and diversity at an acceptable price, and stimulate the growth of Cable services.

IN THE NEAR TERM, VIDEO CASSETTE RECORDERS WILL SHOW SLOW GROWTH DUE TO HIGH PRICE ...

Awareness of VCRs is very high, yet purchase interest and ownership are very low

- Only 7% of people definitely want to buy a VCR
- Only 2.6% of households currently own a VCR

Price is by far the most important reason for not buying, and

Price is an even bigger obstacle among people most interested in VCRs

- 66% of potential buyers say VCRs are too expensive to buy now
- 51% of these people are waiting for the price to come down

Moreover --

- 58% of people who think the current price is $501-$750 (somewhat lower than actual prices) cite expense as a very important reason for not buying a VCR

If the consumer outlook on the economy becomes more optimistic and there is much heavier marketing pressure behind VCRs, the strong resistance based on price may begin to dissolve. One promising note is that ...

Pay-Cable subscribers have high interest in VCRs

- 40% of Pay-Cable subscribers express interest in buying a VCR in the next few years

Because we expect dramatic growth in Pay-Cable TV, Pay subscribers will represent significant growth potential for VCRs.

IT IS TOO EARLY TO EVALUATE THE POTENTIAL OF VIDEODISC PLAYERS ...

VDP awareness is very low

- 52% of the population has never heard of VDPs
- Only 4% of people are very familiar with the product

Some indications for the future are that

- VDPs and VCRs appeal to the same people
  - 75% of people interested in buying a VDP are also interested in VCRs
- Not being able to record and expense may be problems for VDPs
  - Among those few most familiar with VDPs, lack of recording capability and expense are tied as the major reasons for not buying a VDP
- But, VDPs may gain advantage due to price. VDPs are expected to gain a substantial price advantage relative to VCRs, and this may be a plus among consumers having to choose between the two products

This study will serve as a benchmark against which to measure these trends and the future growth of VDPs.

VIEWERS WILL PASSIVELY ACCEPT HELP AND INFORMATION FROM TV -- BUT DON'T EXPECT THEM TO ACTIVELY PARTICIPATE WITH IT ...

Consumers are much more interested in passive services offered by new two-way TV systems than ones requiring active participation

- One-half of the population wants fire and burglar alarms connected to a 2-Way Cable system
- 35% would like shopping information such as prices for products at various stores
- 26% of people would like to have their gas or electric meter read automatically over 2-Way TV -- high interest considering that many people don't have meters inside their homes

but,

- Only 10% of people would like to shop at home over their TV
- Only 16% want to take part in opinion polls
- Only 18% would be interested in making their own ticket reservations for sports events, theatre, concerts, etc.

At least initially, opportunity for interactive TV can be better exploited via passive services than by requiring the viewer to actively participate.

Once consumers become used to interactive TV in a passive way, it is possible they will be more receptive to active participation, particularly if marketing attention is directed against it.

NEW INTERACTIVE TV SYSTEMS MUST HAVE CLEARLY COMMUNICATED ADVANTAGES ...

The new interactive TV services will only become popular when consumers are convinced that they offer advantages over the present ways of doing things

Specific objections people have to the new systems are that they

- Want to see things in person before buying (59%)
- Want to bank in person (43%)
- Like to go out shopping (34%)
- Might be tempted to buy things they don't need (30%)

More general objections are that

- The new TV systems are just not needed (55%)
- People want to relax while watching TV (30%)
- Two-way TV would be an invasion of privacy (29%)

For this substantial resistance to be overcome, the public will have to perceive interactive TV as being a more convenient, efficient, or less expensive means of obtaining the kinds of services offered by the new two-way systems.

DIVERSE PROGRAM INTERESTS POINT TO NARROWCASTING ...

Among numerous suggested topics for new TV shows, only a few subject areas have broad viewer appeal

- Shows about nature and wildlife, popular performing arts, live TV in general, and consumer information programs are of interest to the greatest number of TV viewers

Interest in most other programming topics varies significantly by sex and age

- Young men are much more interested in R-rated action movies than other sub-groups
- Children's programs and programs providing consumer information have high appeal among viewers 34 or under
- Women and Senior Citizens show interest in programs directed toward their respective groups
- Many other subject areas are of interest to relatively smaller, yet notable segments of various demographic groups

Some programming subjects which have attracted considerable attention generate low general interest. These include:

- Congressional activity
- Religious subjects
- Cultural events -- opera, symphony, ballet

Cable and Pay-Cable TV, Video Cassette Recorders, and Videodisc Players present the opportunity to offer programs of specialized interest to smaller segments of the population than are required for mass subject appeal shows. This narrowcasting ability will contribute substantially to the success of these emerging video technologies.

A CONCLUDING COMMENT ...

This study has clearly identified price sensitivity as a very real consumer issue, cutting across all of the TV technologies.

What does this signal for the future?

It certainly provokes the question for the Cable, VDP and VCR markets of how big they will get, and how fast they will get there in an economic climate like the current one. Although cost concern is striking, it does not mean that these businesses will not grow. Rather, it is a question of how much at what pace.

And there may be other, broader consequences of the cost issue. One possibility is of a fall-out effect. The consumer buying basic Cable, Pay-Cable, and a VDP or VCR (as the marketing pressure behind the new machines mounts, along with their lure for the consumer) is making a very substantial expenditure. As consumers decide to spend more money on the new TV services, this may constrain the budget in other areas. The dramatically heightened expenditure level for in-home entertainment could lead to curtailment of out-of-home entertainment. Movies, theater-going and attendance at sports events may be cut back. People may even subscribe to fewer magazines and buy fewer newspapers, particularly as they come to rely more heavily on video forms of entertainment and information.

What we can say with certainty, in any case, is that the cost factor will profoundly influence how the new technologies grow. This American Consensus study, providing a benchmark perspective that will be followed up periodically, is a tool for updating the trends and better predicting growth, to give us a keener look at the future for the new services.

DETAILED FINDINGS

COMMENTS ON DEMOGRAPHIC RELATIONSHIPS

- Men and women showed very similar attitudes and behavior toward the new TV technologies. Consequently, the findings are presented in total, with sex differences noted only where necessary.

- In general, younger, more affluent, and better educated consumers have higher interest in the various new TV products and services studied. These relationships are mentioned here rather than repeatedly discussed in the findings.

CABLE TV

CABLE TV

...Familiarity With Cable TV* Is High

Cable TV has reached a substantial level of awareness, with 77% of people being either "very" or "somewhat" familiar with the service.

	Total Sample (2163)	
Very familiar	44%	77%
Somewhat familiar	33	
Slightly familiar	21	
Never heard of	1	

And 83% of the population know someone who subscribes to Cable.

Advertising awareness is also high. Seventy-seven percent of consumers have seen or heard an advertisement for Cable Television within the past six months.

...The Subscription Rate Is About 50%

Cable TV is available to only 52% of all households. Where it is available (the "passed" homes); the subscriber rate is over 50 percent.

	Base	Subscribe To Cable TV
Where Cable is available	(1126)	55%
Among total households	(2163)	29%

*Based on the following description presented to respondents: "Cable Television is a system where a home television set is hooked up to a transmission cable (much like a telephone line) over which TV programs are broadcast to the home or apartment. Cable TV systems provide clearer reception than is possible via normal TV transmission, and usually provide additional channels and programs. A monthly fee is charged for receiving Cable TV."

...Purchase Interest Is Also At The 50% Level

In areas where Cable TV is not now available ("unpassed" homes), 53% of people say they "definitely" or "probably" would subscribe in the next year if it became available. Thus, the levels of actual subscription and of interest in subscribing are parallel.

	Cable TV Not Available (1037)	
Definitely would subscribe	21%	53%
Probably would subscribe	32	
Probably would not subscribe	29	
Definitely would not subscribe	17	

...But Rejectors Resist

People who have Cable available to them but do not now subscribe seem to be hard-core rejectors. Very few have an inclination to subscribe. Nearly 8 out of 10 say they will not subscribe in the future.

	Cable TV Rejectors (507)	
Definitely would subscribe	4%	
Probably would subscribe	12	
Probably would not subscribe	41	79%
Definitely would not subscribe	38	

...Subscribers, Though, Are Very Satisfied

Subscribers' satisfaction with Cable TV is quite high. Most subscribers intend to continue the service. Nearly 8 out 10 feel it is as good as or better than originally expected. And more than half look forward to the quality improving still further.

	Cable Subscribers (617)	
• In The Future, I Will:		
Definitely keep getting Cable TV	48%	89%
Probably keep getting Cable TV	41	
Probably not keep getting Cable TV	2	
Definitely not keep getting Cable TV	1	
• Cable TV Is:		
Better than I expected	23	77%
About the same as I expected	54	
Not as good as I expected	15	
• In The Future, I Expect The Quality Of Cable TV Programs To:		
Get better	57	
Stay about the same	32	
Get worse	2	

These Cable TV satisfaction measures clearly indicate that Cable subscribers are satisfied with their purchase, and that the service delivers up to subscribers' expectations. Most importantly, subscribers

- expect the quality of Cable to get even better
- intend to continue to subscribe to Cable TV

...Subscribers Say Finding The Programs They Want To Watch Is Easy

Specifically, 82% of Cable TV subscribers indicate that it is either "very" or "fairly" easy for them to find out what shows are being aired at what times. Thus, there is no sign of any weakness in this area of Cable TV satisfaction.

Ease Or Difficulty Of Finding Shows	Cable Subscribers (617)	
Very easy	55%	82%
Fairly easy	27	
Fairly difficult	8	
Very difficult	3	

The two sources used most often for program information are TV Guide and the Sunday newspaper TV supplement. Simply switching channels is also often done to determine what programs are on.

Method For Finding Out What Shows Are On Cable	Way Used Most Often (617)	Way Used Most Often/Often (617)
Look in TV Guide	28%	38%
Look in Sunday Newspaper Supplement	25	49
Check program guide sent by Cable TV	19	34
Look at daily newspaper	10	33
Switch channels	9	48
Look at on-air program guide	2	15

Figures sum to more than 100% due to multiple responses.

...Program Diversity Is The Most Important Reason for Subscribing To Cable

The opportunity to get more channels, more out-of-town stations, more movies, including Pay-TV movies, more specials, in short, more different kinds of programs, is the strongest factor motivating viewers to subscribe to Cable.

Need for better reception appears to be second in importance.

Major Reasons For Subscribing To Cable TV	% Saying "Very Important" (617)
Cable TV has more channels	64%
I needed better reception	51
Cable TV has more different kinds of programs	49
I wanted to get out-of-town stations	44
Cable TV has more movies	41
Cable TV has more entertainment specials	37
I wanted to purchase extra movies with Cable	25

...Reception Is No Longer Important

However, it's clear that reasons for subscribing have changed dramatically over the last few years. Among newer subscribers to Cable TV (less than two years) improved reception is rated relatively low in importance (35%). The opportunity for expanded programming options is a more important reason.

% Saying "Very Important"

	Total Subscribers	Subscribed To Cable: Within Past 2 yrs.	Subscribed To Cable: 2 up to 5 yrs. ago	Subscribed To Cable: 5 + yrs. ago
	(617)	(212)	(167)	(196)
More channels	64%	62%	69%	72%
Better reception	51%	35%	55%	74%
More different programs	49%	52%	50%	54%
Out-of-town stations	44%	42%	44%	56%
More movies	41%	54%	47%	31%
More entertainment specials	37%	39%	43%	36%
I wanted to purchase extra movies with Cable	25%	38%	26%	16%

This changing nature of subscribers' reasons for buying Cable TV holds important implications regarding the marketing and future of Cable television. In order to best identify and discuss these implications, however, it is necessary to understand the reasons why Cable TV rejectors do not subscribe to the service.

...There Is Perceived Lack Of Value

Cable rejectors - people aware that Cable TV is available but who do not subscribe - reveal two primary reasons for resistance to Cable.

- the cost - not wanting to pay money to watch TV, and/or feeling that Cable is too expensive, and
- lack of need for improved reception.

Major Reasons For Not Subscribing To Cable TV	% Saying "Very Important" (507)
I don't want to pay money to watch TV	49%
I get good TV reception already	49
Cable TV is too expensive	48
Cable TV programs are no better than regular TV shows	26
I object to the content of some Cable TV programs	25
I wouldn't want my children to see some Cable TV programs	25

In essence, this points to a perceived lack of value in the service. Also reflecting perceived lack of value is that "Cable TV's programs are not better than regular TV shows" is seen as a very important reason for not subscribing by 26% of rejectors.

...Objectionable Content Is Also A Concern

A second, although less pervasive, cause of resistance to Cable is the perceived objectionable nature of Cable TV content. One-quarter of Cable rejectors indicate personal objection (25%), and objection for their children (25%), to be very important reasons for not subscribing. And for 35% of rejectors with children, "not wanting their kids to see some Cable TV programs" is a very important reason for not subscribing.

Conclusions And Implications

Cable TV has reached a moderate penetration level among possible subscribers; 55% of passed homes currently subscribe. Two findings, however, suggest that Cable TV as currently marketed is unlikely to attain a penetration level substantially beyond this level.

1) Purchase interest in unpassed homes is no greater than the actual subscription rate in passed homes.

2) Rejectors strongly resist subscribing.

Consequently, major growth in the industry would at first appear to be limited to what can be achieved by increasing the availability of Cable TV, as opposed to increasing its subscriber rate.

- Growth Will Depend Upon Communicating The Value Of Cable TV

  The study findings, however, suggest that with certain changes in Cable TV marketing practices, and in the service itself, significant growth in Cable TV penetration may be possible. The realization of this growth will depend upon the industry's ability to not only provide the desired product, but also to clearly and compellingly communicate the nature and the value of Cable TV vis-a-vis consumers' needs and wants.

In particular, the study results indicate that the primary barrier to Cable TV growth relates to concept resistance as opposed to product dissatisfaction: Subscribers are very satisfied with the product, but rejectors offer clearly defined reasons for not subscribing. It is the overcoming of these resistances which represents both the problem and the opportunity for growth in Cable TV penetration. The results of this study give clear indication regarding possible strategies for achieving this objective.

- Strategies For Growth

The study shows that the reasons why people subscribe to Cable TV have changed dramatically over the past few years.

The primary draw for consumers today is program diversity, including more channels, out-of-town stations, movies, different kinds of programs, and entertainment specials. Just a few years ago, subscribers were much more concerned with improving their television reception.

- Emphasize Program Diversity

The clear implication, therefore, is that future Cable TV marketing efforts must emphasize aspects of program diversity, and the resulting added pleasure, satisfaction and value afforded by Cable, and de-emphasize, if not ignore, improved reception as a reason for subscribing.

That 49% of Cable rejectors express "not needing better reception" as a very important reason for not subscribing indicates that many potential subscribers still perceive this aspect of Cable TV to be its major benefit, and are rejecting the service as one that fills a nonexistent need. This perception of Cable TV must be changed if significant growth in penetration is to be realized.

In shifting emphasis to program diversity, care must be exercised not to concentrate on just one or two programming features of Cable TV, such as Pay-Cable or more sports, but must address all of these important features, including out-of-town stations, older movies, news and information shows, and different or specialized types of programs available.

Bottom line, the hold-outs must be convinced that Cable offers program diversity that means true added value in terms of greater viewing enjoyment and satisfaction. Only by moving in this direction will Cable TV be able to grow by meeting the desires of the 1980's TV viewer.

- Address Cost Concerns

It is very clear that cost operates as a major barrier to a higher Cable TV subscription rate. Advertising or promotional efforts which convince the potential subscriber of the value of Cable for enhanced enjoyment via program diversity can go a long way to dispelling concerns about expense.

Byond this, however, the effectiveness of efforts to recruit past rejectors could be greatly enhanced by special deals that reduce the cost to new subscribers. Although cost reductions, in whatever form, will lower profit margins, the long-run results in increased subscription rates may handsomely justify such cuts.

- Address Content Concerns

Further, the industry might consider ways of addressing the resistance to Cable, among a significant portion of potential subscribers, based on its perceived objectionable content. Adult-oriented content must remain available, as it, too, satisfies an important segment of the market. But if the perception could be generated that it is an option available with Cable TV as opposed to an unwanted part of the basic package, even further growth in Cable TV penetration might be realized.

- Resell To Earlier Rejectors

  Movement in these directions will maximize Cable TV's appeal to prospects. Also, considering that reasons for subscribing to Cable have exhibited dramatic change over just a few years, strong efforts at reselling a properly positioned Cable TV package to rejectors in previously wired areas is strongly suggested as a strategy for increasing Cable penetration. Earlier rejectors may now exhibit very different attitudes and desires regarding TV viewing than when originally offered Cable TV. A healthy re-marketing effort directed toward these individuals could result in very profitable penetration growth, particularly since such growth would not require costly investment in wiring or equipment.

In summary, these strategies

- Emphasizing program diversity
- Addressing cost concerns, and
- Addressing the content issue

all aimed at previous rejectors as well as future prospects, represent the framework for Cable TV penetration growth, with the results of this study indicating substantial potential for this.

PAY-CABLE

PAY-CABLE TV

...Subscription To Pay-Cable* Is About 50%

Pay-Cable is available to 75% of all basic Cable subscribers; slightly under half subscribe to at least one Pay-Cable Service.

	Base	Subscribe To Pay-Cable
Where Pay-Cable is available	(464)	48%
Among Cable subscribing households	(617)	36%

...Pay-Cable Is Becoming An Integral Part Of The Cable Package

The penetration rate for Pay-Cable has changed strikingly over the last few years. The current Pay-Cable subscription rate among recent basic Cable subscribers is 70%.

	Base	Subscribe To Pay-Cable
Among Subscribers To Basic Cable:		
Within past 2 yrs.	(161)	70%
2 up to 5 yrs. ago	(178)	51%
5+ yrs. ago	(159)	25%

Subscribing to Cable in order to get Pay-Cable has more than doubled (38% today vs. 16% five years ago). Also, getting more movies, a central feature of most Pay services has increased from 31% to 54% as a "very important" reason for subscribing to Cable.

*All Cable T.V. subscribers were asked "Is some form of extra Pay-Cable T.V. (for example, extra sports, extra movies, extra entertainment shows, etc.) available at an additional price beyond your basic Cable T.V. subscription fee? (Some of the best known names of these services are: Home Box Office, Movie Channel and Showtime.)"

...Cost And Content Are Key Reasons For Rejecting Pay-Cable

While current penetration of Pay-Cable is substantial, rejectors (those who can get Pay-Cable but don't subscribe) have three basic concerns -- cost, objection to content, and disinterest in the programs:

Major Reasons For Not Subscribing To Pay-Cable	% Saying "Very Important" (237)
Too expensive	46%
I object to the content of some Pay-Cable programs	43%
I am not interested in the programs offered	39%
I don't want my children to see some Pay-Cable programs	37%

...Price Is The Major Barrier

As with basic Cable, reasons for resistance to Pay-Cable have changed sharply over the last few years. New subscribers are most concerned about costs. Disinterest in programs offered does not loom as a major factor.

	% Saying "Very Important" Subscribed To Basic Cable:		
	Within Past 2 Yrs. (51)	2 Up To 5 Yrs. Ago (69)	5+ Yrs. Ago (121)
Pay-Cable too expensive	57%	48%	40%
Not interested in programs offered	20%	38%	46%

While Pay-Cable penetration is high among subscribers with children (63%), among rejectors with children, "not wanting their kids to see Pay-Cable content" is the major reason for resistance (56%).

It appears, therefore, that presence of children can be both a strong motivation and a significant deterrent to subscribing to Pay-Cable.

Conclusions And Implications

The subscription level for Pay-Cable has been increasing dramatically in recent years. This upward trend, along with expected continued growth in diversity of programs offered, leads us to expect that the Pay-Cable subscription rate will rise still further. A plateau has clearly not been reached, and continued growth seems almost a certainty. In fact, all trends indicate that Pay TV is becoming an increasingly important feature of the Cable service.

Further, the study findings suggest that

...a diversified marketing effort directed at

- previous Pay-Cable rejectors
- previous basic Cable rejectors, and
- new prospects

...the possibility of a family-oriented Pay-Cable service to address content concerns

...and pricing levels attractive to consumers

can help to accelerate growth in Pay-Cable.

ADVERTISING ON CABLE

THE FUTURE OF ADVERTISING ON CABLE

The study findings make it very clear that expense is a primary cause of consumers' resistance to basic Cable and Pay-Cable. As time passes, it will become increasingly difficult to maintain acceptable pricing levels, with revenue limited substantially to, and in the case of Pay-Cable, solely to subscription charges.

This will naturally lead to investigation of other possible sources of revenue, including the further development of advertising on Cable TV.

The expanding role of advertising on Cable TV could affect the nature of the product being offered. It also raises the question of viewer acceptance. To shed light on this issue, we explored consumers' feelings about commercials on Cable TV.

...Cable Without Commercials Is Not Vital To Subscribers

Cable subscribers were asked to indicate the importance of a range of possible reasons for subscribing to Cable, including "I wanted TV without commercials."

It is clear that desire for commercial-free TV ranks relatively low as a reason for subscribing to Cable. It is only the seventh most important reason for subscribing (and 8th among recent Cable subscribers). In short, absence of commercials is not one of Cable's most compelling attractions.

Reasons For Subscribing To Cable TV	% Saying "Very Important" — Total Subscribers (617) %	Rank	Subscribed Within Past 2 Yrs. (212) %	Rank
Cable has more channels	64	1	62	1
I need better reception	51	2	35	7
Cable has different programs	49	3	52	3
I wanted out-of-town stations	44	4	42	4
Cable has more movies	41	5	54	2
Cable has more entertainment specials	37	6	39	6
I wanted extra movies	25	7	38	5
I wanted TV without commercials	25	7	31	8

...In Fact, Viewers Show Interest In Pay-Cable With Ads

In order to better, and more directly measure the potential effect on product acceptance resulting from Cable TV advertising, all Cable TV subscribers were asked:

> "Currently, Pay-Cable TV services (like HBO, Showtime, etc.) show programs without commercials, and usually cost about $10 per month. How interested would you be in subscribing to similar Pay-Cable TV services if they carried a limited number of commercials and cost less per month (say $5-6 per month)?"

There is substantial interest in the idea of bringing down the cost of Pay-Cable via advertising. Half of all Cable subscribers respond favorably.

	Cable TV Subscribers (617)	
Very interested in subscribing	21%	49%
Somewhat interested in subscribing	28%	
Not too interested in subscribing	16%	
Not at all interested in subscribing	24%	

More importantly, Pay-Cable subscribers are even more drawn to this idea. Almost 2 out of 3 show interest in a less expensive Pay-Cable service carrying some advertising. And about half of Pay-Cable rejectors express interest.

	Pay-Cable Subscribers (223)		Pay-Cable Rejectors (237)	
Very interested in subscribing	31%	63%	14%	47%
Somewhat interested in subscribing	32%		33%	
Not too interested in subscribing	18%		18%	
Not at all interested in subscribing	15%		34%	

These data indicate a general acceptance of advertising on Pay-Cable TV among current Pay-Cable subscribers and substantial interest in Pay services with advertising among current Pay-Cable rejectors.

Conclusions And Implications

The study findings suggest that advertising will eventually play an important role in the development of the Cable TV industry.

In view of:

- the unimportance of the commercial-free feature in inducing subscriptions
- the critical importance of cost as a resistance factor, and
- viewers' high interest in Pay-Cable TV with advertising

it would appear that movement in the direction of more advertising on Cable TV will meet with relatively limited viewer resistance. Further, the development of advertising can serve an important role in facilitating delivery, at an acceptable price, of quality programming -- an important need, considering the value consumers place on program diversity. While many basic Cable TV systems already carry advertising, others do not, and these services should be viewed as representing valuable media potential.

With respect to Pay-Cable, there appears to be substantial growth potential for systems with advertising -- among both current subscribers and rejectors.

In summary, the future of Cable TV looks to be very bright indeed, and the findings of this study strongly suggest to us that advertising will play an increasingly important role in this success.

VIDEO CASSETTE RECORDERS

VIDEO CASSETTE RECORDERS

...Awareness Of Video Cassette Recorders* Is High

Awareness of VCRs is lower than that of Cable TV, but still at a respectable level, with one half of the population (51%) being either "very" or "somewhat" familiar with the product.

	Total Sample (2163)	
Very familiar	16%	51%
Somewhat familiar	35	
Slightly familiar	41	
Never heard of	6	

Advertising awareness for VCRs is very high. Eighty-one percent of respondents have seen or heard of an ad for a Video Cassette Recorder in the past 6 months.

...Ownership And Interest Are Low

Ownership of Video Cassette Recorders is still at a low level with only 2.6% of the sample reporting ownership of a VCR.

Purchase interest also remains rather low. Over two-thirds (69%) of consumers state they "definitely" or "probably" would not buy a VCR in the next few years.

	VCR Non-Owners (2100)	
Definitely would buy	7%	
Probably would buy	22	
Probably would not buy	48	69%
Definitely would not buy	21	

*Based on the following description presented to respondents: "A Video Cassette Recorder (VCR) is a machine which attaches to a home TV set and can be used to tape-record TV shows for viewing at a later time, even shows that are broadcast while you are not at home or asleep. It can also be used to play purchased tapes of movies or special programs."

...Pay-Cable Subscribers Show Higher Interest

Subscribers to Pay-Cable TV show a higher level of interest in VCR purchase, with 40% stating "definite" or "probable" interest. Possible reasons for this higher interest are that Pay-Cable customers have already demonstrated a willingness to spend money for TV viewing, and also have a greater variety of TV programs to record.

	Pay-Cable Subscribers (213)
Definitely would buy	10%
Probably would buy	30
Probably would not buy	44
Definitely would not buy	15

Those people more familiar with VCRs also show a higher purchase interest in Video Cassette Recorders.

	High VCR Familiarity (Very Or Somewhat) (1064)
Definitely would buy	10%
Probably would buy	30
Probably would not buy	43
Definitely would not buy	15

...Price Is The Biggest Problem

Of several possible reasons for not buying a VCR, by far the one cited most frequently as a "very important" reason for not buying a Video Cassette Recorder is that VCRs are "too expensive" (60%).

Major Reasons For Not Buying VCRs	% Saying "Very Important" (2100)
VCRs are too expensive	60%
There are very few TV shows worth recording	35
I am waiting for the price of VCRs to come down	31
I don't know enough about VCRs	27
I don't know which type of VCR machine is best	25

In fact, price concern is even greater among those who appear to be closer to actually making a purchase. Better informed, more highly interested people cite price considerations more frequently as very important reasons not to buy. Even more striking is the high percentage (51%) of those with high purchase interest who state they are waiting for lower prices.

Reasons For Not Buying VCR	VCR Familiarity: Very Somewhat (1064)		VCR Familiarity: Slightly None (1018)	
% "Very Important"	%	Rank	%	Rank
Too expensive	65	(1)	57	(1)
Waiting for price to come down	37	(2)	24	(5)

	VCR Purchase Intent: Definitely Probably (608)		VCR Purchase Intent: Definitely Not Probably Not (1441)	
% "Very Important"	%	Rank	%	Rank
Too expensive	66	(1)	60	(1)
Waiting for price to come down	51	(2)	23	(6)

...Price Will Have To Drop Substantially

Because price is so important, it is vital to know if people have a realistic idea of the actual price of a VCR. At the time the study was conducted, a basic version of a VCR could generally be obtained for $751 - $1,000, although specialized options could raise the price considerably. Thirty percent of people estimate the price of a VCR in this range, and 50% estimate a lower price.

	VCR Non-Owners (2100)
Price Estimate	
$0-$250	7%
$251-$500	22
$501-$750	21
$751-$1,000	30
$1,001-$1,250	11
Over $1,250	5

Even a substantial discount by current standards to the $501-$750 range is seen as too expensive by a majority (58%).

		Price Estimate		
	All Non-Owners (2100)	$501-$750 (442)	$751-$1,000 (635)	Over $1,000 (343)
Reasons For Not Buying VCR				
% "Very Important"				
VCRs are too expensive	60%	58%	69%	76%

A substantial proportion of people (43%) think that the price of VCRs will decrease in the next two years.

	All Non-Owners (2100)
Price Expectation	
Much higher	18%
A little higher	21
About the same	15
A little lower	33
Much lower	10

Better informed, more highly interested people are even more likely to believe prices will be coming down, while less informed consumers are much more likely to think the price will rise.

	VCR Familiarity	
	Very Somewhat (1064)	Slightly None (1018)
Much higher little higher	26%	51%
About the same	15	15
Little lower much lower	57	30

	VCR Purchase Intent	
	Definitely Probably (608)	Definitely Not Probably Not (1441)
Much higher little higher	29%	44%
About the same	13	16
Little lower much lower	58	39

Conclusions And Implications

- Price considerations clearly represent the major component of resistance to VCR purchase. Ownership of Video Cassette Recorders remains below 3%, and purchase interest remains low despite VCRs having achieved a substantial level of familiarity and advertising awareness.

  Price resistance is actually higher among those more highly familiar with VCRs and more highly interested in purchase. Those who are presumably closer to an actual VCR purchase are more likely to believe the price will come down and state that they are waiting for a better price before purchasing.

  The study findings are not encouraging regarding the industry's ability to soon change this perception of excessive expense. Even a majority of people who estimate the price at $501-$750 think that price is too expensive.

- VCR Growth Will Be Slow

  As a result of this significant price related resistance to VCRs, the penetration of Video Cassette Recorders will probably continue to show only slow growth. Unless perceptions of the product can be significantly improved, either through

  - substantially lower prices, or
  - markedly increased perception of need fulfillment

  it is unlikely that a substantial increase in the rate of growth will be observed in the near term.

  However, if the consumer outlook on the economy becomes more optimistic and there is much heavier marketing pressure behind VCRs, the strong resistance based on price may begin to dissolve.

VIDEODISC PLAYERS

VIDEODISC PLAYERS

...Awareness Of Videodisc Players* Is Low

Only 14% of the population is "very" or "somewhat" familiar with Videodisc Players, and 52% say they have never heard of them.

	Total Sample (2163)	
Very familiar	4%	14%
Somewhat familiar	10	
Slightly familiar	33	
Never heard of	52	

...Ownership And Interest Are Very Low

Ownership of Videodisc Players is almost nonexistent, with less than 1% of the population reporting owning a VDP.

Purchase interest in VDPs is also very low. Excluding the majority of consumers who have never heard of Videodisc Players, 81% of people indicate that they "definitely" or "probably" would not purchase a Videodisc Player in the next few years.

	Aware of VDPs (1018)
Definitely, probably would buy	15%
Definitely, probably would not buy	81

*Based on the following description presented to respondents: "A Videodisc Player (VDP) attaches to a television set and allows a person to play programs on purchased pre-recorded videodiscs through the TV. Videodiscs are similar to phonograph records, except that they play both sound and pictures. Videodisc Players are not able to record television programs."

Among those "very" or "somewhat" familiar with Videodisc Players, purchase interest is somewhat higher, with 20% reporting "definite" or "probable" interest in VDP purchase.

	VDP Familiarity	
	Very/ Somewhat (305)	Slightly (713)
Definitely, probably would buy	20%	13%
Definitely, probably would not buy	76	84

...VCRs and VDPs Appeal To The Same People

There is sharply higher purchase interest for VCRs among those who express positive interest for Videodisc Players. Seventy-five percent of those interested in buying a VDP express positive purchase interest in Video Cassette Recorders. Clearly, there is a common appeal for the two systems.

These data tend to suggest that VCRs and VDPs may be perceived as complementary components in a total video system (analogous to a stereo system containing both a record player and a tape deck), although perceptions among those individuals showing early interest in VDPs may not be representative of eventual perceptions of the product.

	VCR Non-Owners	
	Definitely/ Probably Will Buy VDP (255)	Definitely/ Probably Will Not Buy VDP (1758)
VCR Purchase Interest		
Definitely/probably will buy VCR	75%	23%
Definitely/probably will not buy VCR	23	76

...People Do Not Know Enough About VDPs

The leading reason rated as a "very important" one for not buying a VDP is "I don't know enough about VDPs." People apparently assume VDPs will be expensive, as a VDP's expense is cited by one-half of people as a "very important" reason for non-purchase.

Possible Reasons For Not Buying a VDP	% Saying "Very Important" (2138)
I don't know enough about VDPs	54%
VDPs are too expensive	50
VDPs are not able to record TV shows	35
VDPs are not available in my area	31
There is not a big enough selection of Videodiscs available	30

...But Inability To Record May Be A Problem

Among those who are very familiar with VDPs, their inability to record TV shows is tied with price for being the most frequently given reason not to buy. Unavailability of discs is also a relatively more important reason within this group.

	VDP Familiarity			
Reasons For Not Buying VDP	Very (79)	Somewhat (226)	Slightly (713)	Never Heard Of (1122)
Don't know enough	8%	19%	45%	71%
Too expensive	44	45	49	52
Not able to record	44	36	33	37
Not available	17	14	24	40
Not a big enough selection of Videodiscs	37	21	27	32

Conclusions and Implications

As expected, ownership of Videodisc Players is virtually nonexistent. Also, awareness of the product is very low, with the majority of the public claiming never to have heard of VDPs. Due to this low level of familiarity, drawing conclusions regarding the eventual development of Videodisc Players based on the results of this study is difficult. Consequently, the study data should be viewed primarily as representing a benchmark against which to measure future category growth.

The study findings, however, suggest that:

- Disc Development Is The Key

  Among those more familiar with VDPs, objections related to...

  -- price

  -- inability to record, and

  -- unavailability of discs

  are noted at high levels. The development of an attractive and inexpensive disc selection is the key to overcoming these objections.

- VDPs May Gain Advantage Due To Price

  While VDPs and VCRs appear to have common appeal, the expense of these products may, for the majority of potential buyers, limit purchasing to one or the other of the two products. Considering that VDPs are expected to gain a significant price advantage (both in software and hardware) over Video Cassette Recorders, this would suggest a potential advantage to Videodisc Players relative to VCRs.

  Within the VDP category, price considerations also suggest that the less expensive (and also less sophisticated) type of Videodisc Player to be manufacturered - the type using a stylus to read the disc as opposed to a laser - may enjoy substantially greater growth at least for the foreseeable future.

INTERACTIVE TV

INTERACTIVE TV

The possibilities for new uses for TV become tremendously diverse and exciting when the concept of sending as well as receiving information by television is introduced. Some new Cable systems have two-way interactive capacity allowing home-to-station as well as station-to-home communication.

By simply pressing a button, the viewer can order merchandise seen advertised, participate in opinion polls, and even give critical reaction to new shows. A smoke alarm or burglar alarm could be connected to the system to automatically send signals to the fire or police station. Gas and electric meters could also automatically send readings to utility companies.

Addition of a personal computer terminal hookup to a central information bank further increases the potential uses for new TV systems. With such a system, a viewer may request special information which will be displayed in text or pictures on the television screen. Information can be made instantly and easily available, whether it is sports scores or shopping prices, travel schedules, or one's own bank balance.

Although these systems sound futuristic, they all exist and are being used today in an experimental way. A major question limiting their development is whether the public will have any sustained interest in using these systems.

In order to help measure the potential, we explored viewers' interest in a variety of possible new services that could be provided by interactive television systems.

New Systems

Possible Uses For New Systems	"Very Interested" In Having (2163)	"Somewhat Interested" In Having (2163)
	%	%
Connecting the home to fire or burglar alarm system	49	32
Requesting shopping information like prices for products at various stores	35	35
Requesting news, weather, traffic information, sports scores	26	39
Automatic reading of gas or electric meter	26	29
Banking from home	23	29
Making your own ticket reservations for sports events, concerts, theater	18	25
Making your own travel reservations -- airplane, train, bus, hotel room	17	28
Participating in opinion polls	16	28
Requesting travel schedule information -- airline, train, bus schedules	15	30
Shopping at home by ordering products shown on TV	10	27
Requesting financial news -- interest rates, stock prices	10	22

...Interest In Alarm Systems Is High

A surprisingly high level of interest is shown in alarm systems. Half of all viewers are "very interested" in a TV-connected fire or burglar alarm system, and 8 out of 10 express some interest. Although the linking of Cable television and burglar alarms may seem a strange notion at first, the strong interest expressed indicates a tremendous potential for Cable companies in alarms as an add-on service.

Requesting shopping information (35%) and news information (26%) are both "very" interesting to a substantial proportion of viewers. Having meters read automatically via TV (26%) also strikes a responsive chord. Undoubtedly, interest in meter reading would be even higher in communities where meter readers are required to come into the home.

...Shopping At Home Does Not Appeal To People

Extremely low interest is expressed in shopping-at-home via television. The exciting prospect (to advertisers) of a commercial instantly translating into a sale by a pushed button does not appear to be as exciting to viewers, with only 10% being "very interested" in such a system.

Similarly, active commitments such as making ticket or travel reservations from home do not generate high interest. The much-discussed ability to participate in opinion polls also does not generate high levels of interest.

It appears, then, that high interest exists regarding automatic systems that provide a needed service (alarm and meter readings) as well as in informational systems. However, at present, people balk at the idea of more active involvement with TV requiring financial transactions such as actually shopping or making reservations themselves.

To better understand the reasons for possible disinterest in these systems, we explored how important each of several possible reasons is as a factor in viewers' not being interested in the new systems.

...People Like To Shop And Bank The Old Way

The most frequently cited objections to the new systems relate to shopping. Many people feel it is important to see things in person before buying (59%), and many simply like to go out shopping (34%). The view that shopping at home would be too tempting is also frequently expressed (30%).

Further, many people say that they would rather do their banking in person (43%). It is possible that the informational aspects of banking-at-home, such as checking balances might have appeal, but using TV to actually conduct transactions clearly does not.

...People Don't See A Need

A general feeling of "I just don't need it" is also a major source of resistance (55%). This may reflect the fact that all of the services mentioned as new TV systems already are available in other forms (e.g., mail order catalogs, using Ticketron, etc.). For interest to develop, the public must perceive the new system to be more convenient, comprehensive, efficient, or less expensive than what is presently used, and these attributes are difficult to evaluate in a hypothetical new system.

Another general objection to the new TV systems is based on the desire to relax while watching TV rather than be actively involved (30%) -- reflecting, again, a shying away from more active involvement with TV.

Major Reasons For Not Wanting New Systems	% Saying "Very Important" (2163)
I like to see things in person before I buy	59%
I just don't need it	55
I'd rather do banking in person	43
I like to go out shopping	34
I want to relax when watching TV, not push buttons	30
I may be tempted to buy things I don't need	30
Being hooked up to a computer would invade my privacy	29

Substantial concern is also expressed that the new systems would represent an invasion of privacy (29%). The fear of someone else checking one's bank balance -- or a product order or information request leading to an unwanted mailing or phone call -- are concerns that need to be addressed.

Conclusions And Implications

Consumers are much more interested in passive services offered by TV than in ones requiring an active role. Thus, at least in the near term, the opportunity for 2-way TV can be best exploited via passive services.

Also, the findings suggest that the new interactive systems will only become popular when consumers are convinced that they offer advantages over the present ways of doing things. Success of the new TV services will depend largely on the industry's ability to communicate these advantages to the consumer.

NEW PROGRAMMING

SUBJECTS FOR NEW TV SHOWS

...Interest Is Very Diverse

Interest in various topics for new television shows varies significantly by sex and age.

% OF PEOPLE "VERY INTERESTED" IN SHOW SUBJECT

Program Subject	Men			Women		
	34 Or Under %	35-54 %	55 Or Over %	34 Or Under %	35-54 %	55 Or Over %
Nature and wildlife	35	46	49	36	40	46
Live TV	28	26	37	40	40	44
Home maintenance	36	30	27	31	26	25
Outdoor recreation	28	30	26	21	17	13
Popular performing arts	20	29	27	46	49	37
Consumer information	34	21	27	47	43	36
Travel	11	18	30	18	25	35
Gardening	14	18	29	27	29	33
Subjects for people over 55	5	7	37	8	11	48
R-rated action movies	46	23	13	32	17	9
Adult education	26	27	15	43	39	21
Children's education and entertainment	38	26	12	48	29	12

Program Subject	Men			Women		
	34 Or Under %	35-54 %	55 Or Over %	34 Or Under %	35-54 %	55 Or Over %
Finance	21	20	21	21	22	21
Las Vegas entertainment	24	22	14	20	20	15
Sport instructions	20	19	12	19	13	9
Trials and court cases	12	15	17	15	15	13
Nutrition, exercise, diet, health	13	11	18	35	33	31
Cultural: opera, ballet, symphony	9	17	14	18	27	23
Congressional activity	9	8	19	6	9	15
Cooking	11	13	12	28	27	31
Religion	9	8	13	10	14	21
Subjects for women	15	6	12	33	26	23
Pet care	11	8	9	23	15	14
Personal grooming	10	5	8	22	21	18

In order to more easily identify the most appealing subjects of those listed among the various sex/age groups, the levels of interest for the five most highly rated program subjects are shown for each group.

Men	% "Very Interested" In Show Subject	"Very Interested" In At Least One Of Top Five Subjects
34 or under	R-rated action and adventure movies (46)	79%
	Children's education and entertainment (38)	
	Home maintenance and repair (36)	
	Nature and wildlife (35)	
	Consumer information (34)	
35-54	Nature and wildlife (46)	78
	Outdoor recreation (30)	
	Home maintenance and repair (30)	
	Popular performing arts (29)	
	Adult education (27)	
55 or over	Nature and wildlife (49)	76
	Live TV (37)	
	Subjects for people over 55 (37)	
	Travel (30)	
	Gardening and plant care (29)	

Women	% "Very Interested" In Show Subject	"Very Interested" In At Least One Of Top Five Subjects
34 or under	Children's education and entertainment (48)	88%
	Consumer information (47)	
	Popular performing arts (46)	
	Adult education (43)	
	Live TV (40)	
35-54	Popular performing arts (49)	84
	Consumer information (43)	
	Nature and wildlife (40)	
	Live TV (40)	
	Adult education (39)	
55 or over	Subjects for people over 55 (48)	79
	Nature and wildlife (46)	
	Live TV (44)	
	Popular performing arts (37)	
	Consumer information (36)	

When interest is analyzed cumulatively over the five shows within each demographic group, depending upon the group, from 76% to 88% of group members are "very interested" in at least one of the top five rated programming subjects. However, taken together, the five most highly rated topics for each subgroup cover 12 separate subject areas.

...Nature, Pop Arts, Live TV, And Consumer Information Are Of Broadest Interest

Of particular note is that programs about nature and wildlife, popular performing arts shows, live TV in general, and consumer information shows are of substantially high interest among people in almost all sex/age groups. Many of the other subjects studied, while not showing broad appeal, are of notable interest to at least one of the groups.

...Religion, Congress, And Culture
Have Limited Appeal

On the other hand, some program subjects frequently discussed as having significant potential appear to be of generally lower interest to most people. Specifically, religion, congressional activity, and culture have much narrower appeal than one might expect, considering the amount of attention these areas have recently received.

Conclusions and Implications

- Subject Interest Is Diverse

  Although a few possible subjects for new TV shows have broad appeal, most topics are of interest to a relatively smaller yet notable segment of the population.

  Although concentration by programmers on the most broadly appealing subjects can capture at least some interest among a sizeable proportion of viewers, different demographic segments show considerably different levels of interest even across some of these more generally appealing topics. For many other subjects, interest is very dependent upon the potential viewers' sex and age.

  For other subjects studied, interest is relatively lower in nature, but more consistent across demographic groups, indicating moderate but fairly broad subject appeal.

  It is clear that subject interest, both in general and within demographic groups, is very diverse, which is consistent with TV viewers' increasing desire for different kinds of programming as indicated in previous sections of this report.

- Narrowcasting Will Grow With The New Technologies

  It appears, therefore, that as demand for program diversity grows, narrowcasting (presenting programming material of specialized interest) will represent a valuable means of meeting the needs of the 1980's TV viewer.

The new TV technologies - Cable TV, Video Cassette Recorders, and Videodisc Players - will provide a great opportunity to deliver specialized programming and therefore satisfy this growing demand for program diversity.

TABLES

TABLE 1

REASONS FOR SUBSCRIBING TO CABLE TV

	% Of Cable TV Subscribers Rating Reason As "Very Important" (617)
	%
Possible Reasons For Subscribing To Cable TV	
Cable TV have more channels	64
I needed better TV reception	51
Cable TV has more different kinds of programs	49
I wanted to get out-of-town stations	44
Cable TV has more movies	41
Cable TV has more entertainment specials	37
I wanted to purchase extra movies with Cable TV	25
I wanted TV without commercials	25
Cable TV has more sports coverage	22[a]
There are more educational programs	22[a]
There are more cultural programs on Cable TV	16[a]
I wanted more home-team sports	11[a]
Cable TV has more children's programs	11

[a]Ratings for this reason differed significantly by sex. The overall rating represents the average of the ratings observed for men and women.

TABLE 2

REASONS FOR NOT SUBSCRIBING TO CABLE TV

Possible Reasons For Not Subscribing To Cable TV	% Of Cable TV Rejectors Rating Reason As "Very Important" (507)
	%
I don't want to pay money to watch TV	49
I get good TV reception already	49
Cable TV is too expensive	48
Cable TV programs are no better than regular TV shows	26
I object to the content of some Cable TV programs	25
I would not want my children to see some Cable Television programs	25
I don't watch much television	23
Cable TV doesn't show enough good movies	15
I already watch too much television	12
I do not know enough about Cable TV	12
My children watch too much TV	11
The installation would be too much trouble	8
I don't own a good TV set	7

TABLE 3

REASONS FOR NOT SUBSCRIBING
TO PAY-CABLE TV

Possible Reasons For Not Subscribing To Pay-Cable TV	% Of Pay-Cable TV Rejectors Rating Reason As "Very Important" (237)
	%
Pay-Cable TV is too expensive	46
I object to the content of some Pay-Cable TV programs	43
I am not interested in the programs offered	39
I would not want my children to see some Pay-Cable TV programs	37
I don't watch much television	14
My children watch too much TV	9
I already watch too much TV	8
I would rather watch movies in a theater than on my TV	7

TABLE 4

REASONS FOR NOT BUYING A VIDEO CASSETTE RECORDER

Possible Reasons For Not Buying A VCR	% Of VCR Non-Owners Rating Reason As "Very Important" (2100)
	%
VCRs are too expensive	60
There are very few TV shows worth recording	35
I am waiting for the price of VCRs to come down	31
I do not know enough about VCRs	27
I do not know which type of VCR machine is best	25
I don't watch much television	20
It would be too much of a bother to use one	14
I am not interested in watching movies	13
There is not a big enough selection of pre-recorded tapes available to purchase	12
My children already watch too much TV	12
I am waiting for the quality of VCRs to improve	12
I would rather watch movies in the theater than on my TV	10
I already watch too much TV	10
I do not own a good TV set	9

TABLE 5

REASONS FOR NOT BEING INTERESTED IN NEW TV SYSTEMS

Possible Reasons For Not Being Interested In New TV Systems	% Of Respondents Rating Reason As "Very Important" (2163) %
I like to see things in person before I buy them	59
I just don't need it	55
I would rather do my banking in person	43
I like to go out shopping	34
I want to relax while watching TV, not push buttons	30
I might be tempted to buy things I don't need	30
Being hooked up to a computer would invade my privacy	29
I don't like computers	20
It would be too complicated	19
I might make a mistake	18
I don't think I could learn to use the system	13

B1150-2.13

SPORTS ON TELEVISION:

THE VIEWER SPEAKS OUT

AN AMERICAN CONSENSUS REPORT

© Benton & Bowles, Inc.
909 Third Avenue
New York, NY 10022

November, 1982

TABLE OF CONTENTS

	PAGE
INTRODUCTION	1 - 2
METHOD	3
HIGHLIGHTS AND IMPLICATIONS	4 - 28
DEMAND FOR MORE SPORTS ON TV	5
SPORTS ON PAY-CABLE	7
ATHLETES AS ENDORSERS	11
ATTITUDES TOWARD PROFESSIONAL ATHLETES	19
SPORTS PREFERENCES BY SEGMENT	23
SELECTED TABLES	

INTRODUCTION

Turn on a TV on a weekend and flip the channels. Most likely one will see a fantastic assortment of sports. This list of programs is a typical array of sports programming for a Fall day in New York: 52 1/4 hours of sports coverage in a single day; 23 hours on cable, 18 3/4 hours on national network, and 10 1/2 hours on local channels.

SPORTS AND SPORTS-RELATED PROGRAMMING FOR SATURDAY, SEPTEMBER 18, 1982 (NEW YORK AREA)

Program	Approx. Length	Station
Racquetball	1/2 hour	Cable
Sports Center	1 hour	Cable
Australian Football	1 1/2 hours	Cable
Scholastic Sports Academy	1/2 hour	Cable
Canadian Football Highlights	1/2 hour	Cable
Inside The NFL	1 hour	Cable
Wrestling	1 hour	Local
College Football Preview	1/2 hour	Cable
NCAA Volleyball Instruction	1/2 hour	Cable
Tennis Instruction	1/2 hour	Network
Sports Center Plus	1/2 hour	Cable
NFL Game Of The Week	1/2 hour	Cable
NCAA Today	1/2 hour	Network
NFL Week In Review	1/2 hour	Network
Kentucky Derby -- Documentary	1 hour	Network
NCAA Football	3 1/2 hours	Network
Baseball Instruction	1/2 hour	Network
Canadian Football (Min/off)	3 hours	Cable
Baseball: An inside Look	15 minutes	Network
Tennis	3 hours	Network
Major League Baseball	2 3/4 hours	Network
1982 U.S. Diving Championships	1 hour	Local
Baseball	2 1/2 hours	Cable
Soccer	1 hour	Local
Reggie Jackson's World Of Sports	1 hour	Cable
Pro Karate	3 hours	Cable
Horse Racing	1 hour	Network
Wide World Of Sports	1 1/2 hours	Network
Horse Racing	1/2 hour	Local
NFL Weekly Magazine	1/2 hour	Network
Major League Baseball	3 hours	Local
Motorweek Illustrated	25 minutes	Cable
College Scoreboard	5 minutes	Cable
Wrestling	1 hour	Cable
Baseball	2 1/2 hours	Local
Boxing	2 1/2 hours	Cable
NCAA Football	3 hours	Network
Soccer Bowl '82	2 1/2 hours	Cable
Horse Racing	1/2 hour	Local
Sports People	1/4 hour	Network
Wrestling	1 hour	Local

In 1981, there were over 1300 hours of national network coverage, more than ever before. And people are responding to this expanded coverage. One-third of the men and women in our survey say they are watching more sports on TV than a year ago. Few televised events besides sports can guarantee such a huge cross section of America's viewers. For millions of people, sports on free-TV represent an important source of entertainment.

As part of our continuing series investigating trends in opinions from a representative sample of Americans, we have chosen attitudes toward sports as the current topic, with televised sports the particular focus of the report. Major questions this report will address are:

- Demand For More Sports On TV
  - What sports do people want to see more of?
- Sports On Pay-Cable
  - How will people react if major sports events move to Pay-TV?
  - Will people pay for sports on Cable? And how much?
  - How angry will people be if certain sports events are removed from free-TV?
- Athletes As Endorsers
  - Which athletes are most familiar, who are most liked, and who are seen as believable endorsers?
- Attitudes Toward Professional Athletes
  - How do people feel about such sports trends as players' strikes, big salaries and increased violence?
- Sports Preferences By Segment
  - What sports have special appeal to men, women, the wealthy, and the young?

METHOD

The study was conducted by mail using the Benton & Bowles Consumer Panel. The B&B Consumer Panel consists of 4000 households -- four separate panels of 1000 households each -- with each panel being representative of U.S. households as a whole in terms of:

- geographic region
- market size within region
- income within region
- age within income

The present study used three panels. In one of these panels, the survey was conducted among the female heads of household, while in two other panels, responses were obtained from either single men who are part of our panel or from husbands of married panel members. Males were deliberately overweighted to allow further subanalysis.

The survey is based on 1714 usable responses from panel members who qualified by watching at least one sports event on television in the past year. The sample contains 1080 males and 634 females. Usable responses represented 73% of the mailing to males and 74% of the mailing to females. Additionally, 5% of questionnaires mailed were returned indicating the respondent had no past year sports' viewing and, therefore, they were not included in the analysis.

Mailing was conducted in late July, 1982 with all returns received by August 23, 1982.

HIGHLIGHTS AND IMPLICATIONS

DEMAND FOR MORE SPORTS ON TV

DEMAND FOR MORE SPORTS ON TV

...There Is Demand For Still More Sports.

Despite the large number of hours devoted to sports on TV,

- People want still more football and baseball. This is true despite the huge amount on now.
- There's a strong pent-up demand for more Olympics. Especially after the limited 1980 Moscow coverage, people are hungry for the Olympics.
- More gymnastics is wanted by both men and women. Gymnastics clearly presents a substantial opportunity for increased promotion and coverage.
- Men would like more college sports, even though coverage has grown tremendously recently.
- Women want more figure skating and skiing, sports that have been relatively neglected.

WANT MORE COVERAGE

	MEN		WOMEN
	%		%
1. Olympics	39	1. Olympics	37
2. College Football	25	2. Figure Skating	35
3. NFL Football	24	3. Gymnastics	29
4. Gymnastics	21	4. Skiing	24
5. Major League Baseball	21	5. NFL Football	16
6. College Basketball	21	6. Horse Racing	15
7. Track & Field	20	7. Major League Baseball	15

(See Appendix Table 1)

...Pay-Cable Sports Could Help Meet The Demand For More Sports.

Thirty percent of men say they are interested in subscribing to a mostly sports Pay-TV channel. Despite the many hours of coverage already shown, many fans want more sports on TV badly enough to pay for additional sports programs.

SPORTS ON PAY-CABLE

SPORTS ON PAY-CABLE

...People Would Be Angry If Major Sports Events Were Taken Off Free-TV.

A large majority of men (59%) say they would be "extremely angry" if the World Series or Super Bowl were taken off free-TV. An additional 22% say they would be "moderately angry" forming a total "Anger Quotient" of 81%. For women, the "Anger Quotient" is 67%, which although not as high as for men, is an indication of the high direct involvement in spectator sports that many women express throughout the survey.

Reaction If World Series Or Super Bowl Were No Longer On Free-TV

	MEN %		WOMEN %	
Extremely angry	59	81%	41	67%
Moderately angry	22		26	
I wouldn't really care	16		27	
I'd be glad because there's too much sports on now	3		6	
There are no home teams in my area that are televised	--		--	

...Most Would Also Be Angry Over Losing Home Team Sports.

There is also a high level of expressed anger to the prospect of home team sports being removed completely from free-TV. The total "Anger Quotient" for men is 66% and for women, 52%.

Reaction If Home Team Sports Were No Longer On Free-TV

	MEN		WOMEN	
	%		%	
Extremely angry	41	66%	27	52%
Moderately angry	25		25	
I wouldn't really care	18		26	
I'd be glad because there's too much sports on now	3		7	
There are no home teams in my area that are televised	12		14	

...Despite This Initial Anger
Most People Would Rather Pay
Than Miss Big Sports Events.

If major sports events were not available on free-TV and were obtainable only through Pay-Per-Event Cable:

- A MAJORITY say they would pay to see the Super Bowl, World Series, Olympics, and College Football Bowls.
- In addition, college basketball, boxing, the Kentucky Derby, and the Indianapolis 500 all have many fans willing to pay for coverage. In fact, a variety of sports have a loyal core who could well support a pay-per-event set up.
- Women as well as men would be willing to pay-per-event. Women actually show greater interest than men in paying for the Olympics, Kentucky Derby, and women's tennis. About half the women surveyed would pay to see the World Series or Super Bowl.

The potential for enormous revenues is self-evident. Even at moderate prices, huge sums of money could be generated.

- A third of the men say they are willing to spend $3 or more for the Super Bowl.
- Twenty percent of men say they are willing to spend $3 or more per game for the World Series. With a seven game Series, this could generate over $20 per household.
- Twenty-eight percent say they would pay $3 or more per day for Olympics coverage. Given that the Olympics last for weeks, the potential total revenues are staggering.

PROPORTION WHO WOULD PAY TO SEE VARIOUS SPORTS EVENTS

SINGLE EVENTS	MEN %	WOMEN %
Super Bowl	61	48
Football Bowl Games (Rose, Sugar, etc.)	57	47
College Basketball - Final Game	40	28
Major Boxing Championship	42	17
Kentucky Derby	30	44
Indianapolis 500	32	29
MULTIPLE EVENTS		
Olympics - Single Day Coverage	57	62
World Series - per game	56	49

PRICE PEOPLE ARE WILLING TO PAY-PER-EVENT

SINGLE EVENTS	$3 Or More %	$1-2 %
Super Bowl	32	25
Football Bowl Games (Rose, Sugar, etc.)	25	28
College Basketball - Final Game	18	18
Major Boxing Championship	16	17
Kentucky Derby	13	22
Indianapolis 500	13	18
MULTIPLE EVENTS		
Olympics - Single Day Coverage	28	30
World Series - per game	20	34

(See Appendix Tables 2 & 3)

...Beyond Pay-Per-Event, People Would Also Sign Up Rather Than Lose Home Team Sports.

An appreciable number of men and women would sign up for Pay-Cable coverage of their favorite baseball and football teams rather than do completely without coverage at all.

	MEN	WOMEN
	%	%
WOULD SIGN UP FOR PAY-CABLE IF IT WERE THE ONLY WAY TO SEE FAVORITE TEAM.		
Favorite Football Team	35	23
Favorite Baseball Team	24	19

...People Would Object To Commercials On Pay-Per-Event Cable.

Most people express rejection of the idea of commercials on an event that they had payed a specific price to view. Only one-quarter say they would accept commercials if they knew it would reduce the price.

People apparently feel that once they have paid for an event, at the least, it should be commercial-free. Of course, reactions might vary depending on how clear it is that a price reduction was made -- such as boxing matches with commercials between rounds at $5 vs. commercial-free matches for $15.

...Most People Don't Believe The Super Bowl Or World Series Will Move To Cable Very Soon.

Two out of three people think the Super Bowl and World Series will still be on free-TV five to ten years from now. The remaining third feel that it is either probable or very likely that these events will be on Cable within five to ten years.

However, these results indicate that for most people the threat of these events being removed from free-TV is within the realm of possibility -- not a completely alien idea -- and therefore, the question about willingness to pay for Cable coverage is not a purely hypothetical one.

Believe Within Five To Ten Years World Series And Super Bowl Will Be On Pay-Cable Only

	%
Very likely will be shown on Cable only	13
Probably will be shown on Cable only	19
Probably will still be on free-TV	42
Very likely will still be on free-TV	25

ATHLETES AS ENDORSERS

ATHLETES AS ENDORSERS

There are a number of ways athletes can be evaluated as endorsers. Fame and widespread recognition do not always mean popularity. Similarly, popularity does not always equate with being a believable spokesman for a product.

In this survey, we selected a cross section of twenty-four currently active athletes in major sports. These athletes were rated on familiarity, likability, and believability when endorsing a product.

...A Select Few Score Consistently High On Every Measure Of Endorser Potential.

- Jack Nicklaus looks the strongest as a celebrity endorser. He is tops on our list from every perspective as the best liked, most believable, and most widely known athlete in the survey. Nicklaus is rated even more favorably by high-income people.

- Chris Evert Lloyd is another very solid candidate for endorsements. She is very well-known, well-liked, and seen as highly believable when endorsing a product especially among the women in our survey.

- Sugar Ray Leonard also looks very strong as an endorser. He is ranked in the top five on familiarity, likability, and believability. Leonard is especially well regarded by the young and has completely eclipsed current heavyweight champion Larry Holmes in popularity.

...Terry Bradshaw, Tracy Austin, And Tom Watson Are Less Well-Known, But Very Likable and Believable.

- Terry Bradshaw is somewhat less well-known than our top three of Nicklaus, Lloyd, and Leonard. However, he rates a strong second on likability and scores strongly on believability when endorsing a product. Bradshaw has put the early unfair slurs on his intelligence behind him and has emerged as one of the best liked and most respected figures in sports.

- Tracy Austin has a similar profile to Bradshaw in that she is somewhat less widely known, but is well-liked and very believable. Austin, like Lloyd, has never been involved in the boorish behavior and turmoil that have lately dominated men's tennis and she is viewed very favorably.

- Tom Watson is remarkably strong in terms of likability and believability when endorsing a product despite not even making our top ten on familiarity. Watson looks even stronger as an endorser among older and more affluent people. The very strong showing of Watson and Nicklaus suggests that golf has a great deal of prestige to lend to its champions.

...Some Very Well-Known Athletes Have Poor Endorser Profiles.

- John McEnroe is the least liked athlete in our survey. McEnroe is reasonably well-known, but is:
  - liked by only 21% of those who known him, ranking by far the worst in the survey, and
  - found believable by a dismal 16%.

  This depth of negative reaction to McEnroe's on-court behavior has not deterred him from a variety of endorsements.

- Larry Holmes, the heavyweight champion, is fairly well-known but found likable or believable by very few.

- Reggie Jackson tops the list as best known, yet is only average on believability when endorsing a product -- and bottom half on likability. Reggie is always in the news and always at the center of controversy. However, the public's reactions aren't all positive.

- Bjorn Borg and Jimmy Connors are also well-known, but not well-liked. They both appear on our top ten list of familiarity, but fall to the bottom half on likability and believability.

  Connors' image is much improved lately but he still has some way to go. Borg's unsmiling and methodical approach apparently does not especially appeal to American fans.

...Some Lesser Known Stars Are Rated Highly By Those Who Know Them.

- Joe Montana, Julius Erving, Larry Bird, and Wayne Gretzky fit this profile. Those familiar with them find them likable and believable when endorsing a product.

- Their lack of wide recognition may limit their potential as endorsers to a general audience, but it is clear that the more involved sports fans know and like them.

TOP TEN ATHLETES IN TERMS OF FAMILIARITY, LIKABILITY AND BELIEVABILITY

	Familiarity	Likability*	Believability When Endorsing A Product*
1	Reggie Jackson	Jack Nicklaus	Jack Nicklaus
2	Jack Nicklaus	Terry Bradshaw	Tom Watson
3	Sugar Ray Leonard	Tom Watson	Chris Evert Lloyd
4	Pete Rose	Chris Evert Lloyd	Terry Bradshaw
5	Chris Evert Lloyd	Sugar Ray Leonard	Sugar Ray Leonard
6	Jimmy Connors	Tracy Austin	Tracy Austin
7	Bjorn Borg	Joe Montana	Pete Rose
8	Terry Bradshaw	Larry Bird	Julius Erving
9	John McEnroe	Wayne Gretzky	Larry Bird
10	Tracy Austin	Julius Erving	Wayne Gretzky

* Among those familiar with each athlete.

(See Appendix Tables 4-6)

ATTITUDES TOWARD PROFESSIONAL ATHLETES

ATTITUDES TOWARD PROFESSIONAL ATHLETES

Sports news has changed a lot in the past few years. Instead of just scores and game reports, lately headlines are more likely to read:

- Players Strike For More Money!
- Star Refuses To Play Until Contract Renegotiated!
- Fans' Long Time Favorite Won't Return -- Tours Country Looking For Better Offer!
- Locker Room Drug Scandal!
- Hockey Players Charged With Assault In Brawl!
- Tennis Player Fined For Abusing Referee!

How do the fans react to all this?

...There Are Danger Signs In Fans' Reactions To Recent Sports Trends.

High salaries and the strikes and disputes involved in their negotiation are highly resented by our respondents.

- Four out of five resent salary disputes and player strikes.
- Two-thirds simply resent high salaries of athletes in general.

...Fans Don't Like The Increasing Violence In Sports.

The increase in violence on the playing field is another trend in sports that most people view negatively.

...Athletes Are Seen As Less Heroic Or Sportsmanlike Than In The Past.

With athletes making salaries commonly reaching six and even seven figures, it becomes harder and harder to maintain a perception of them as heroes or sportsmen. Increasingly athletes are seen as talented but extremely well-paid individuals who are simply expected to be winners because they are so highly paid.

...Barely One-In-Ten Strongly Agree That Athletes Make Good Role Models.

This is a far cry from the days when a Joe DiMaggio or Joe Louis earned nearly universal respect.

DEGREE OF AGREEMENT WITH STATEMENTS ABOUT PROFESSIONAL ATHLETES

	Agree Strongly		Agree Somewhat
	%		%
I resent salary disputes and player strikes	51	(80%)	29
Athletes don't seem as much like heroes as they used to	29	(77%)	48
Pro athletes don't display as much sportsmanship as they used to	29	(74%)	45
Many sports have become too violent	33	(72%)	39
I resent athletes making such high salaries	29	(65%)	36
Professional athletes make good role models	11	(54%)	43
Athletes should make as much money as they can get	12	(44%)	32

SPORTS PREFERENCES BY SEGMENT

SPORTS PREFERENCES BY SEGMENT

There is a fantastic variety of sports on TV today. Sports in the future may very well be even more segmented, especially considering the narrowcasting capacity of Cable-TV.

For example, a Cable-TV channel aimed at women may put together a package of sports programs of special interest to women, or a Pay-Cable channel aimed at affluent, urban men could assemble a package of highest interest to that specific group.

This section will address those sports which have special appeal to:

- general audiences
- men
- women
- higher income men
- higher income women
- urban dwellers
- younger men and women

...The Broadest Interest Is In The Olympics.

- A majority of both men and women say they are "very interested" in the Olympics.

...Football And Baseball Appeal To Both Men And Women.

- Football is still king of sports among men. Pro football ranks first among men with a majority expressing strong interest. College football ranks third, tied with baseball.
- One out of four women expresses a strong interest in baseball and football. Women are clearly an important component of audiences for these sports.

...Boxing And Basketball Are Popular Male Sports.

- Boxing is almost exclusively male-oriented, in that it ranks high among men but is rarely enjoyed by women.
- College basketball has surpassed pro basketball in interest among men.

...Women Prefer Figure Skating And Gymnastics.

- About a third of women say they are "very interested" in figure skating or gymnastics. There is clearly a tremendous opportunity for these sports to attract female viewers.
- Women appear more interested than men in sports that feature individual excellence rather than team competition.

HIGHLY RATED SPORTS

	MEN		WOMEN
	%		%
Percentage Saying They Are "Very Interested" In A Sport			
1. NFL Football	55	1. Olympics	52
2. Olympics	53	2. Figure Skating	34
3. College Football	34	3. Gymnastics	30
4. Major League Baseball	34	4. NFL Football	24
5. Boxing	25	5. Major League Baseball	23
6. College Basketball	22	6. Skiing	19
7. NBA Basketball	18	7. College Football	17

(See Appendix Table 7)

...Tennis, Ice Hockey, And Golf Attract A More Affluent Audience.

- These sports have more popularity among people earning over $30,000 than among a general audience.
- Women's sports are much more accepted by higher income respondents than among the general public.

SPORTS WITH HIGHEST INCOME INDEX AMONG MEN AND WOMEN*

MEN		WOMEN	
Women's Tennis	157	Women's Tennis	195
Men's Tennis	141	Men's Tennis	189
NHL Ice Hockey	122	College Football	142
Men's Golf	121	Women's Golf	142
Women's Golf	120	Men's Golf	136

(See Appendix Table 8) (See Appendix Table 9)

...Car Racing, Bowling And Boxing Attract A Lower Income Audience.

- Car racing ranks last in terms of income of its TV audience.
- Boxing and bowling also attract a larger share of lower-income males.

SPORTS WITH LOWEST INCOME INDEX AMONG MEN*

Horse Racing	87
NBA Basketball	84
Boxing	79
Bowling	79
Car Racing	66

* The Income Index is based on the percentage "very interested" in a sport with incomes $30,000 or over divided by the percentage of total "very interested" in a sport.

...Ice Hockey And Tennis Have Affluent Urban Audiences.

- Ice hockey's appeal is overwhelmingly concentrated in urban areas.
- Tennis is also more popular in larger cities.

URBAN INDEX*

1.	NHL Ice Hockey	154
2.	Men's Tennis	124
3.	Bowling	118
4.	Women's Tennis	117
5.	Major League Baseball	113
6.	NASL Soccer	113
7.	Skiing	113

(See Appendix Table 10)

...Soccer Has A Stronger Following Among Younger Men.

- Because so many of its supporters are young, soccer may be more successful in the future.
- Tennis, boxing, and skiing are other sports that appeal to the young.

YOUTH INDEX**

1.	NASL Soccer	177
2.	Men's Tennis	143
3.	Women's Tennis	140
4.	Boxing	131
5.	Skiing	130

(See Appendix Table 11)

* The Urban Index is based on the percentage of respondents in markets of two million people or more "very interested" in a sport divided by the percentage of total who are "very interested" in a sport.

** The Youth Index is based on the percentage of respondents under 35 years old "very interested" in a sport divided by the percentage of total who are "very interested" in a sport.

APPENDIX

SELECTED TABLES

TABLE 1

PERCENTAGE WANTING MORE TV COVERAGE
OF SPECIFIC SPORTS

BASE: Total In Each Group	MEN (1080) %	WOMEN (634) %
Olympics	39	37
College Football	25	11
NFL Football	24	16
Gymnastics	21	29
College Basketball	21	10
Boxing	21	6
Major League Baseball	21	15
Track & Field	20	14
Skiing	18	24
Car Racing	17	11
NASL Soccer	17	10
NHL Ice Hockey	15	8
Figure Skating	15	35
Horse Racing	14	15
NBA Basketball	12	6
Bowling	11	12
Men's Tennis	10	6
Women's Tennis	9	10
Women's Golf	7	7
Men's Golf	7	4

QUESTION: For each sport below, check the appropriate space to indicate how you feel about the amount of television coverage.

TABLE 2

PERCENTAGE WHO WOULD PAY TO SEE
VARIOUS SPORTS EVENTS

BASE: Total In Each Group	MEN (1080) %	WOMEN (634) %
SINGLE EVENTS		
Super Bowl	61	48
Football Bowl Games (Rose, Sugar, etc.)	57	47
College Basketball - Final Game	40	28
Major Boxing Championship	42	17
Kentucky Derby	30	43
Indianapolis 500	32	29
Wimbledon - Men's Final	27	23
Wimbledon - Women's Final	22	26
Major Men's Golf - Final Round	21	17
World Cup Soccer - Final Game	21	13
Major Women's Golf - Final Round	11	13

BASE: Total In Each Group	MEN (1080) %	WOMEN (634) %
MULTIPLE EVENTS		
Olympics - Single Day Coverage	57	62
World Series - per game	56	49
NBA Final Series - per game	34	27
NHL Final Series - per game	22	15

QUESTION: "If in the future, the following events were not available on free television and you could only see them by paying a price for that specific event, what price would you be willing to pay in order to watch each event on TV?"

TABLE 3

PRICE PEOPLE ARE WILLING TO PAY-PER-EVENT

BASE: Total Respondents	Would Pay $3 Or More	Would Pay $1-2
	%	%
SINGLE EVENTS		
Super Bowl	32	25
Football Bowl Games (Rose, Sugar, etc.)	25	28
College Basketball - Final Game	18	18
Major Boxing Championship	16	17
Kentucky Derby	13	22
Indianapolis 500	13	18
Wimbledon - Men's Final	11	14
Wimbledon - Women's Final	10	14
Major Men's Golf - Final Round	6	13
World Cup Soccer - Final Game	7	11
Major Women's Golf - Final Round	3	9
MULTIPLE EVENTS		
Olympics - Single Day Coverage	28	30
World Series - per game	20	34
NBA Final Series - per game	12	20
NHL Final Series - per game	7	12

QUESTION: "If in the future, the following events were not available on free television and you could only see them by paying a price for that specific event, what price would you be willing to pay in order to watch each event on TV?"

TABLE 4

ATHLETES RANKED BY FAMILIARITY

BASE: Total Respondents	(1714)
	%
1. Reggie Jackson	92
2. Jack Nicklaus	92
3. Sugar Ray Leonard	92
4. Pete Rose	89
5. Chris Evert Lloyd	89
6. Jimmy Connors	85
7. Bjorn Borg	80
8. Terry Bradshaw	79
9. John McEnroe	77
10. Tracy Austin	75
11. Larry Holmes	74
12. Fernando Valenzuela	67
13. Martina Navratilova	67
14. Tom Watson	66
15. Tony Dorsett	66
16. Magic Johnson	62
17. Julius Erving	58
18. Gerry Cooney	55
19. Joe Montana	55
20. Earl Campbell	54
21. Larry Bird	52
22. Dave Winfield	45
23. Wayne Gretzky	31
24. Mike Bossy	18

QUESTION: "Check each athlete you are familiar with."

TABLE 5

ATHLETES RANKED BY LIKABILITY

BASE: Total Familiar With Each Athlete*

	%
1. Jack Nicklaus	71
2. Terry Bradshaw	67
3. Tom Watson	66
4. Chris Evert Lloyd	65
5. Sugar Ray Leonard	63
6. Tracy Austin	63
7. Joe Montana	62
8. Larry Bird	58
9. Wayne Gretzky	57
10. Julius Erving	56
11. Earl Campbell	55
12. Pete Rose	54
13. Magic Johnson	52
14. Tony Dorsett	50
15. Reggie Jackson	49
16. Bjorn Borg	46
17. Gerry Cooney	45
18. Dave Winfield	44
19. Martina Navratilova	43
20. Jimmy Connors	41
21. Mike Bossy	37
22. Fernando Valenzuela	37
23. Larry Holmes	36
24. John McEnroe	21

QUESTION: "For each athlete you are familiar with, check whether you find this person likable?"

* Ranges from 1585 to 303.

TABLE 6

ATHLETES RANKED BY BELIEVABILITY WHEN ENDORSING A PRODUCT*

BASE: Total Familiar With Each Athlete*

		%
1.	Jack Nicklaus	55
2.	Tom Watson	47
3.	Chris Evert Lloyd	44
4.	Terry Bradshaw	42
5.	Sugar Ray Leonard	42
6.	Tracy Austin	38
7.	Pete Rose	38
8.	Julius Erving	36
9.	Larry Bird	35
10.	Wayne Gretzky	34
11.	Joe Montana	34
12.	Reggie Jackson	33
13.	Magic Johnson	30
14.	Earl Campbell	29
15.	Bjorn Borg	29
16.	Tony Dorsett	28
17.	Jimmy Connors	27
18.	Dave Winfield	25
19.	Gerry Cooney	23
20.	Martina Navratilova	21
21.	Larry Holmes	19
22.	Mike Bossy	18
23.	John McEnroe	16
24.	Fernando Valenzuela	15

QUESTION: "For each athlete you are familiar with, check whether you would find this person believable when endorsing a product?"

* Ranges from 1585 to 303.

TABLE 7

PERCENTAGE EXPRESSING THAT THEY ARE
"VERY INTERESTED" IN WATCHING A SPORT ON TV

BASE: Total In Each Group	MEN (1080) %		WOMEN (634) %
NFL Football	55	Olympics	52
Olympics	53	Figure Skating	34
College Football	34	Gymnastics	30
Major League Baseball	34	NFL Football	24
Boxing	25	Major League Baseball	23
College Basketball	22	Skiing	19
NBA Basketball	18	College Football	17
Car Racing	16	Horse Racing	16
Men's Golf	14	College Basketball	13
Gymnastics	14	Bowling	12
Skiing	13	Women's Tennis	10
Men's Tennis	13	Car Racing	10
Figure Skating	11	Men's Tennis	10
Track & Field	11	NBA Basketball	8
Horse Racing	10	Men's Golf	7
NHL Ice Hockey	10	NHL Ice Hockey	6
Bowling	10	Boxing	6
Women's Tennis	8	Women's Golf	5
NASL Soccer	6	Track & Field	5
Women's Golf	4	NASL Soccer	4

QUESTION: "For each sport, please indicate how interested you are in watching it on TV."

TABLE 8

INDEX OF INTEREST IN SPECIFIC SPORTS AMONG HIGH INCOME MALES

BASE: Males With Incomes $30,000 Or More	(378)
Women's Tennis	157
Men's Tennis	146
NHL Ice Hockey	122
Men's Golf	121
Women's Golf	120
Olympics	116
Figure Skating	113
College Football	106
NASL Soccer	106
Skiing	105
NFL Football	102
College Basketball	97
Track & Field	97
Gymnastics	94
Major League Baseball	91
Horse Racing	87
NBA Basketball	84
Boxing	79
Bowling	79
Car Racing	66

NOTE: The Income Index is based on the percentage of males very interested" in watching a sport on TV with incomes $30,000 or over divided by the percentage of total males "very interested" in watching a sport on TV.

TABLE 9

INDEX OF INTEREST AMONG
HIGH INCOME FEMALES

BASE: Females With Incomes Over $30,000	(149)
Women's Tennis	195
Men's Tennis	189
College Football	142
Women's Golf	142
Men's Golf	136
College Basketball	128
Olympics	113
NFL Football	113
Skiing	113
Boxing	105
Track & Field	94
Figure Skating	93
NBA Basketball	92
Major League Baseball	90
Gymnastics	89
Horse Racing	89
Bowling	82
NASL Soccer	77
Car Racing	66
NHL Ice Hockey	65

NOTE: The Income Index is based on the percentage of females "very interested" in watching a sport on TV with incomes $30,000 or over divided by the percentage of total females "very interested" in watching a sport on TV.

TABLE 10

INDEX OF INTEREST AMONG
URBAN DWELLERS

BASE: Total Who Live In Market Of Two Million People Or More (441)

NHL Ice Hockey	154
Men's Tennis	124
Bowling	118
Women's Tennis	117
Major League Baseball	113
NASL Soccer	113
Skiing	113
Olympics	112
Women's Golf	111
Figure Skating	106
NFL Football	102
NBA Basketball	100
Track & Field	100
Men's Golf	95
Boxing	94
College Football	84
College Basketball	81
Car Racing	73
Horse Racing	71

NOTE: The Urban Index is based on the percentage of respondents in markets of two million people or more "very interested" in watching a sport on TV divided by the percentage of total who are "very interested" in watching a sport on TV.

TABLE 11

INDEX OF INTEREST AMONG
MEN AND WOMEN UNDER 35

BASE: Age Under 35 (425)

NASL Soccer	177
Men's Tennis	143
Women's Tennis	140
Boxing	131
Skiing	130
Car Racing	129
Track & Field	121
Gymnastics	117
Olympics	113
NFL Football	108
NBA Basketball	102
College Football	97
College Basketball	96
NHL Ice Hockey	92
Major League Baseball	78
Figure Skating	72
Horse Racing	66
Men's Golf	57
Bowling	42
Women's Golf	26

NOTE: The Youth Index is based on the percentage of respondents under 35 years old "very interested" in watching a sport on TV divided by the percentage of total who are "very interested" in watching a sport on TV.

AMERICAN CONSENSUS:

**"The new TV technologies:
The view from the viewer-II."**

Might mention that complete tables are available for $750

Benton & Bowles, Inc., 909 Third Avenue, New York, N.Y. 10022 / (212) 758-6200

TABLES AVAILABLE

The Benton & Bowles American Consensus Report, The New TV Technologies: The View From The Viewer - II, presents the major findings and implications of a large-scale, representative consumer study concerning Cable/Pay-Cable TV, Video Cassette Recorders, Videodisc Players, Video Games, and Interactive TV.

For those interested in obtaining further information learned in the survey, including much more detailed findings than those included in the report, we are offering for sale a complete set of computer Tables from the study.

The Tables include all responses to all 57 survey questions broken out by 43 demographic and behavioral characteristics, including

- Cable/Pay-Cable Subscribers, Rejectors, and Churners
- Length of Cable TV subscription
- Video Cassette Recorder/Videodisc Player Familiarity and Purchase Interest
- Heaviness of TV viewing
- Region, Market Size
- Age, Income, and Education
- Gender, Marital Status
- Presence and Age of Children

There are more than 200 tables containing frequency, vertical percentage, and horizontal percentage for all scale points for each question, and mean, standard deviation, and standard error for appropriate questions.

The complete set of Tables, and study questionnaire, may be purchased for $750. Interested parties should return the attached form, along with a check or money order for the above amount payable to Benton & Bowles, to:

Benton & Bowles
909 Third Avenue
New York, NY 10022
Attention: J. Strichman

If further information about the Tables is required, please call (212) 909-9029

- -

Please send me the Complete Tables from the Benton & Bowles American Consensus Study -- The New TV Technologies: The View From The Viewer - II.
I am enclosing a check or money order for $750.

_____
(NAME)

_____
(COMPANY)

_____
(STREET ADDRESS)

_____
(CITY) (STATE) (ZIP CODE)

THE NEW TV TECHNOLOGIES:

THE VIEW FROM THE VIEWER - II

AN AMERICAN CONSENSUS REPORT

© Benton & Bowles, Inc. May 1983
909 Third Avenue
New York, N.Y. 10022

TABLE OF CONTENTS

	Page
INTRODUCTION	1
METHOD	2
OVERVIEW OF FINDINGS	3
CABLE TV	
HIGHLIGHTS AND IMPLICATIONS	7
DETAILED FINDINGS	9
PAY-CABLE	
HIGHLIGHTS AND IMPLICATIONS	17
DETAILED FINDINGS	19
VIDEO CASSETTE RECORDERS	
HIGHLIGHTS AND IMPLICATIONS	26
DETAILED FINDINGS	28
VIDEODISC PLAYERS	
HIGHLIGHTS AND IMPLICATIONS	35
DETAILED FINDINGS	36
VIDEO GAMES	
HIGHLIGHTS AND IMPLICATIONS	39
DETAILED FINDINGS	40
INTERACTIVE TV	
HIGHLIGHTS AND IMPLICATIONS	45
DETAILED FINDINGS	46

INTRODUCTION

Two years ago, as part of the American Consensus series of research studies, Benton & Bowles issued the benchmark wave of a research program examining the new TV technologies. This program is designed to measure and track over time, by talking directly to the consumer, the marketplace impact of these various emerging television related technologies.

That study, which investigated Cable TV, Video Cassette Recorders, Videodisc Players, Interactive TV, and Programming issues, uncovered surprising and provocative findings regarding viewers' perceptions, utilization, and expectations concerning these new TV products and services.

Since the time of that benchmark study, there have been a number of changes in the products and services offered by most of the industries involved in the business of changing America's TV habits. This evolution must certainly have affected viewers awareness of, attitudes toward, and personal experience with the various alternatives being offered to them with the promise of enhanced TV enjoyment.

In particular, as existing products and services further develop, and new ones emerge, are viewers becoming more aware or more confused - more interested or more intimidated - more excited or more indifferent? The purpose of this second study is to update the picture of consumer interaction with the new TV technologies, and in so doing, shed light on the probable courses that these industries will follow, and identify marketing strategies which could be used to maximize growth.

In keeping with the changing nature of the subject matter, so too does the study design show change. In order to best address current areas of interest and maximize utility of the findings, the questionnaire used for this update has been modified so as to cover some areas in greater depth, de-emphasize others, and include an entirely new area of inquiry, Video Games.

Combined with the findings from the benchmark wave, the results of this update reveal surprising trends which hold significant importance for those in the marketing and communication industries and which we will continue to measure in future tracking studies in this series.

METHOD

The study was conducted by mail using the Benton & Bowles Consumer Panel - The B&B Consumer Panel consists of 4,000 households - four separate panels of 1,000 households each - with each panel being representative of U.S. households as a whole in terms of

gender	market size within region
marital status	income within region
geographic region	age within income

In total, 2,918 questionnaires were delivered to qualifying households (1,930 to women and 988 to men) and 2,375 usable returns were received - a completion rate of 81%.

Mailing was conducted in December of 1982, with all returns received by mid-January 1983.

Questions included:

Penetration, perceptions, and viewing of Cable and Pay-Cable TV

Awareness, ownership, attitudes toward, and usage of Video Cassette Recorders

Awareness, ownership, and perceptions of Videodisc Players

Attitudes toward advertising on Cable TV

Ownership, attitudes toward, and usage of Video Games (a new area of inquiry in 1983)

Attitudes toward interactive TV systems

OVERVIEW OF FINDINGS

The new TV technology markets have changed substantially in just two years. The findings of this study, the second wave in a continuing research program, indicate that with respect to behavior, or attitudes, or both, consumers' interactions with the various new TV related products and services have been subject to considerable evolution since 1981. Here are the critical findings:

CABLE TV

- Penetration of Basic Cable has grown considerably, and subscribers express increasing satisfaction with the service, reflecting the growing diversity and quality of Cable TV's offerings

- Nevertheless, Basic Cable's growth has been due almost entirely to increased availability, not higher interest, with the subscription rate static between 55 and 60%

- Accordingly, while this rate may increase naturally as subscribers themselves spread the word about Cable's benefits, more aggressive marketing efforts by the industry will be required to accelerate growth in the sign up rate

  - Emphasizing the value of Cable's programming diversity

  - Relieving objectionable content concerns

  - Selling heavily to men

  - Reselling the improved product to previous rejectors

PAY-CABLE TV

- The future of Pay-Cable looks very bright, as, unlike Basic, Pay is growing rapidly due to both greater availability and higher interest
- In the long-term, beyond being limited by the growth of Basic Cable, growth of Pay will also face challenges due to
  - High subscription cost
  - Limited programming
- Advertising on Pay-Cable can help to solve these problems

VIDEO CASSETTE RECORDERS

- Sales are up and owners are very satisfied but interest among non-owners is down -- long-term growth may be limited unless new interest is generated
- Price is still the problem
- Frequent skipping of commercials in recorded shows means that eventual growth of VCRs may reduce the advertising efficiency of the types of programs that are frequently taped

VIDEODISC PLAYERS

- The current business has not gotten off the ground as ownership and interest are virtually non-existent
- If the industry is going to have any chance, sellers will have to skillfully market the laser-type players emphasizing
  - technological advantages
  - versatility of software

VIDEO GAMES

- The Video Game System market is already near saturation
- Sales of Game cartridges should remain strong

INTERACTIVE TV

- Interest in two-way TV systems is significant and growing -- as these services become available, many of them should find a ready market, in particular
  - home security systems, and
  - information retrieval systems such as Videotex and Teletext

The dynamic nature of these markets uncovered in this study holds important implications for those in the marketing and communications industries alike. These implications, along with the highlights and detailed findings of the research, are presented in the following sections of this report.

COMMENTS ON

DEMOGRAPHIC RELATIONSHIPS

Men and women showed similar attitudes and behavior toward the new TV technologies. Consequently, the findings are presented in total, with sex differences noted only where necessary.

In general, younger, more affluent, and better educated consumers have higher interest in the various new TV products and services studied. These relationships are mentioned here rather than repeatedly discussed in the findings.

NOTE ON TABLES

An * appearing next to a 1983 number indicates that that finding is significantly different than the corresponding 1981 finding at the 90% confidence level (two-tailed test).

BASIC CABLE TV

Highlights And Implications

CABLE PENETRATION HAS GROWN SUBSTANTIALLY, DUE ALMOST ENTIRELY TO INCREASED AVAILABILITY . . .

- Cable TV is now available to 68% of all households, up from 52% in 1981. As a result, Cable penetration has risen in just two years from 29% to 39%

- Satisfaction among subscribers is even higher than before. Now, virtually all subscribers intend to continue getting Cable

but interest in Basic Cable has grown only slightly

- 58% of households where Cable TV is available subscribe to the service - compared to 55% in 1981

- Where Cable TV is not available, 58% also express interest - up somewhat from 53%

- The vast majority of Cable TV rejectors - people who have access to Cable but do not subscribe - show little or no interest in subscribing in the future (84%), even more negative than 1981 (79%)

LONG TERM GROWTH, THEREFORE WILL REQUIRE INCREASED MARKETING ACTIVITY . . .

Some suggestions

Emphasizing value through program diversity is vital because

- Cost - feeling that Cable TV is too expensive (51%), and not wanting to pay money to watch TV (46%) - is the single most important reason why rejectors do not subscribe, and

- o The most important reasons for subscribing to Cable TV among newer subscribers are to get more channels (68%), and to get Pay-Cable (41%)

- o The average Cable subscribing household watches three Basic Cable networks every day

Cable operators must also relieve fears regarding content

- o In 43% of Cable rejecting households with children, content concern was an important reason for not buying (up from 35% two years ago)

  Adult material must be sold, and communicated, as an optional part of Cable TV

Special selling efforts directed at men should be used

- o In married households which subscribe to Cable TV, the husband was most interested in subscribing twice as often as was the wife

Previous rejectors may represent a fertile source of new subscribers

- o The quality and diversity of Cable programming have improved markedly in recent years, and many previous rejectors might react more positively if made aware of the benefits of today's Cable TV. Cable marketers should direct serious re-marketing efforts toward rejectors in previously wired areas

In short, Basic Cable operators will need to become much more aggressive marketers to realize substantial growth beyond that which comes automatically from increased availability

BASIC CABLE TV

Detailed Findings

- Overall Penetration Of Cable TV[a] Is Climbing

Nearly 4 out of 10 households now subscribe to Cable TV.

	'81 (2163)	'83 (2375)
Subscribe to Cable TV (among all households)	29%	39%*

...As Availability Of Cable TV Has Risen

More than two-thirds of all households are now being passed by the wire.

	'81 (2163)	'83 (2375)
Cable TV available	52%	68%*

- However The Subscription Rate Has Remained The Same

Among "passed" homes, the subscriber rate is still under 60%.

	'81 (1126)	'83 (1615)
Subscribe To Cable TV (where available)	55%	58%

[a]Based on the following description presented to respondents: "Cable Television is a system where a home television set is hooked up to a transmission cable (much like a telephone line) over which TV programs are broadcast to the home or apartment. Cable TV systems provide clearer reception than is possible via normal TV transmission, and usually provide additional channels and programs. A monthly fee is charged for receiving Cable TV."

*Significantly different than 1981 finding.

- Purchase Interest Has Risen And Parallels Subscription

In areas where Cable TV is not available ("unpassed" homes), 58% of people say they "definitely" or "probably" would subscribe in the next year if it became available (up from 53%). Thus, similar to two years ago, the levels of actual subscription and interest in subscribing are consistent.

	Cable TV Not Available			
	'81 (1037)		'83 (760)	
Definitely would subscribe	21	53%	24	58%*
Probably would subscribe	32		34	
Probably would not subscribe	29		28	
Definitely would not subscribe	17		14	

- Subscriber Satisfaction Is Even Higher Than Before

In fact, nearly all subscribers intend to continue the service, and 9 out of 10 express satisfaction with the personal service received from their Cable operator.

	Cable Subscribers			
	'81 (617)		'83 (933)	
In the future I will:				
Definitely keep getting Cable TV	48	89%	58	98%*
Probably keep getting Cable TV	41		40	
Probably not keep getting Cable TV	2		2	
Definitely not keep getting Cable TV	1		0	

*Significantly different than 1981 finding.

	Cable Subscribers '83 (933)
I am:	
Very satisfied	55%
Somewhat satisfied	35
Not too satisfied	9
Not at all satisfied	2

with the personal service (installation, maintenance) received from my cable company.

- On The Other Side Of The Coin, Cable Rejectors Still Resist

Among people who have Cable available but do not subscribe, representing over 40% of Cable available households, over 80% say they will not subscribe in the future.

	Cable TV Rejectors '81 (507)		Cable TV Rejectors '83 (681)	
Definitely would subscribe	4%		4%	
Probably would subscribe	12		11	
Probably would not subscribe	41	79%	41	84%*
Definitely would not subscribe	38		43	

Also, about 9% of all households which have ever subscribed to Basic Cable currently do not subscribe for reasons unrelated to availability -- Basic Cable Churners -- (industry estimates of churn are often higher, reflecting change of residence, dropping of specific options and buyers who drop but later re-enter).

...They See Cable As Low Value

Cable rejectors continue to give two basic reasons for not wanting Cable TV.

- o The cost - cable being too expensive - not wanting to pay money to watch TV, and - cable not being worth the money
- o Lack of need for improved reception

...Objectionable Content Is A Growing Concern

Fully one-third of all rejectors cite personal objections and objections for children as very important reasons for not subscribing - up from 25% two years ago.

Importantly, among Cable rejectors with children, content concern has become a major reason for rejecting Cable (43%). Among parents with children aged 6-12, fully 52% cite not wanting their kids to see Cable's content as a very important reason for not subscribing.

Reasons For Not Subscribing To Cable TV	% Saying "Very Important"		
	Basic Rejectors		Basic Churners
	'81 (507)	'83 (681)	'83 (90)
Cable TV is too expensive	48%	51%	48%
I get good TV reception already	49	49	39
I don't want to pay money to watch TV	49	46	33
Cable TV is not worth the money	NA	45	44
I wouldn't want my children to see some Cable TV programs	25	34*	30
I object to the content of some Cable TV programs	25	32*	30
Cable TV programs are no better than regular TV shows	26	28	29

- In Households That Do Subscribe, There Is Broad Family Interest In Cable

Among Cable subscribing married households, most family members were enthusiastic about subscribing.

Family Members Enthusiastic About Subscribing

The Husband

Reported by husbands	(204)	91%
Reported by wives	(404)	88

The Wife

Reported by husbands	(204)	82
Reported by wives	(404)	78

Children

A Child Aged...	13+	(296 parents)	69
	7-12	(146 parents)	60
	0-6	(107 parents)	22

...Men, However, Are The Driving Force

By about a two to one ratio, compared to women, men represent the family member most interested in buying Cable TV - and both men and women recognize the man's greater interest.

Family Member Most Interested In Subscribing

The Husband

Reported by husbands	(204)	51%
Reported by wives	(404)	45

The Wife

Reported by husbands	(204)	25
Reported by wives	(404)	28

Children

A Child Aged...	13+	(296 parents)	21
	7-12	(146 parents)	8
	0-6	(107 parents)	3

- Program Diversity Is Still The Major Appeal Of Cable TV

Program diversity is even more important to Cable subscribers than it was two years ago. Also increasing in importance as reasons for subscribing to Basic are Cable's sports coverage and the desire to buy Pay-Cable.

Reasons For Subscribing To Cable TV	% Of Cable Subscribers Saying "Very Important" '81 (617)	'83 (933)
Cable TV has more channels	64%	70%*
I needed better reception	51	52
Cable TV has more sports coverage	22	33*
I wanted to purchase extra movies (Pay Cable) with Cable	25	31*
I wanted TV without commercials	25	28
Cable programs are better than shows on regular TV stations	NA	21
Cable TV has more children's programs	11	11

...Newer Subscribers Offer Some Different Reasons

Whereas program diversity is by far the most important motivation for all subscribers, among newer subscribers improved reception is rated relatively lower in importance (37%) as a reason for buying Cable, and the desire to buy Pay Cable is the second most important reason (41%) for subscribing to the basic service.

	% Saying "Very Important"			
		Subscribed To Cable		
	Total Subscribers (933)	Within Past 2 Years (366)	2 Up To 5 Years Ago (265)	5+ Years Ago (298)
More channels	70%	68%	72%	72%
Better reception	52	37	54	69
More sports	33	36	35	28
Wanted Pay-Cable	31	41	34	17
No commercials	28	33	29	21
Better than regular TV	21	25	18	18
Children's programs	11	13	11	9

- Subscribers Are Generally Aware Of Which Networks They Receive

Considering the numerous advertiser supported networks delivered over Basic Cable systems, viewers are more aware of which networks they receive than many might have guessed. There is, however, some underawareness of limited interest, less highly publicized networks (such as CBN and DAYTIME), and apparent confusion regarding delivery of Superstations (although industry estimates of Superstation reach may be subject to error).

Basic Cable Network	% Of Subscribers Claiming To Receive Network	Industry Est. Of Network Avail.(Jan.83)
ESPN (Sports)	70%	68%
CNN (News)	70	58
WTBS (Atlanta)	64	83
CBN (Christian)	44	61
WGN (Chicago)	40	32
USA (Sports)	39	50
MTV (Music)	31	30
WOR (New York)	30	15
ARTS (Cultural)	21	27
CHN (Health)	21	23
BET (Black)	10	10
DAYTIME (Women's)	9	25

...And, As A Group,
Watch Them Often

The average Basic Cable household watches 3 Basic networks every day

...But The Individual Networks
Have Varying Appeal

As might be expected, the most frequently watched Basic networks tend to be those presenting programming having general appeal (Superstations and news) followed by broadly targeted networks (such as ESPN -- men and DAYTIME -- women). Networks having the least appeal, consistent with their positioning, are those targeted toward relatively smaller segments of the viewing audience (such as BET and ARTS).

Of particular note is that among the broadly targeted networks, CBN appears to be subject to substantial disinterest among non-viewers, and among the narrowly targeted stations, MTV is watched more frequently than might be expected.

Basic Cable Network	Households Claiming To Receive	Household Watches At Least Once A Day	2-3 Times Per Week	Once Per Week	Once Per Month	Never
General Appeal						
WTBS	(592)	41	34	12	9	3
CNN	(651)	39	25	16	9	9
WGN	(371)	36	35	15	9	5
WOR	(284)	30	31	17	13	7
Broad Target						
DAYTIME	(82)	34	17	7	6	31
ESPN	(657)	24	30	17	15	12
USA	(365)	18	29	20	19	11
CBN	(414)	12	14	14	13	43
Narrow Target						
MTV	(293)	35	25	7	10	20
CHN	(195)	12	19	22	17	26
ARTS	(197)	10	16	18	25	26
BET	(90)	3	12	9	12	59

PAY-CABLE TV

Highlights And Implications

PAY-CABLE PENETRATION HAS GROWN DRAMATICALLY . . .

- Pay-Cable is now purchased by 23% of all homes (up from 10% in 1981)

AND GROWTH HAS RESULTED FROM BOTH INCREASED AVAILABILITY AND INCREASED SUBSCRIPTION . . .

- Pay has become available to 95% of all Basic Cable subscribers - versus 75% two years ago, and
- The subscription rate has increased from 48% to 62%

MOVIES, AND THE VALUE OF SEEING THEM AT HOME, ARE THE MAJOR APPEALS OF PAY-CABLE . . .

- 78% of Pay-Cable subscribers did so to see more movies
- Half of all buyers subscribed because Pay-Cable is cheaper than going to the movies

THE FUTURE LOOKS BRIGHT, BUT PAY-CABLE WILL FACE CHALLENGES . . .

Pay-Cable should continue to show strong growth (within the confines of Basic growth), but limited programming may pose a threat

- Over one-fifth of Pay available households have cancelled at least one Pay-Cable subscription in the past

because their Pay-Cable channel

- Repeated the same shows too many times (51%)

As competition for programming becomes more intense, the problem of repetition due to limited material may become more serious. Pay operators may have to expand their production of "made for Pay-Cable" movies, specials, and series in order to meet programming needs

Advertising on Pay-Cable could help to insure long-term growth by supporting development of more programming and holding down subscription costs

- Pay subscribers,
- Pay rejectors, and even
- Basic Cable rejectors

show substantial interest in subscribing at reduced cost to a Pay-Cable channel with limited advertising

PAY-CABLE TV

Detailed Findings

- Pay-Cable[a] Penetration Has More Than Doubled

Almost one out of four households are now subscribing to Pay-Cable TV.

	Total Households '81 (2163)	Total Households '83 (2375)
Subscribe to Pay-Cable	10%	23%*

...Wherever There's Cable, There's Now Pay-Cable

Some form of Pay-Cable TV is now available to almost all Basic Cable TV subscribers, indicating recent upgrading of older Cable systems by many multiple system operators.

	Basic Cable Subscribers '81 (617)	Basic Cable Subscribers '83 (933)
Have Pay-Cable available	75%	95%*

...And Subscription Is Climbing As Well

62% of possible Pay-Cable subscribers buy at least one Pay-Cable service - up from less than half two years ago.

	Have Pay-Cable Available '81 (464)	Have Pay-Cable Available '83 (888)
Subscribe to Pay-Cable	48%	62%*

[a]All Cable TV subscribers were asked "Are any of the following networks available for you to purchase: Cinemax, Escapade, Home Box Office, Movie Channel, Showtime, or Spotlight? (These networks are called Pay-Cable networks.)"

- More And More, People Buy Cable To Get Pay-Cable

Newer Basic Cable subscribers are taking Pay-Cable at a very high rate (75%).

Among Households That Subscribed To Basic Cable	(Base)	% Subscribing To Pay-Cable Where Available '83
Within past 2 years	(355)	75%
2 up to 5 years ago	(259)	67
5+ years ago	(270)	40

...And Not Just One Pay Channel

More than four out of ten Pay subscribers buy more than one Pay-Cable service

# Of Pay-Cable Channels Subscribed To	Pay Cable Subscribers (550)	
1	56%	
2	25	
3	10	42%
4 or more	7	

...So They Can Watch Movies -- Cheaply

"Pay-Cable has more movies" was by far cited most frequently as a "very important" reason for having subscribed to Pay-Cable, and one-half of subscribers view Pay-Cable as being "cheaper than going to the movies".

Major Reasons For Subscribing To Pay-Cable	% Of Pay-Cable Subscribers Saying "Very Important" (550)
Pay-Cable has more movies	78%
Pay-Cable is cheaper than going to the movies	50
Pay-Cable has more different kinds of programs	48
I wanted TV without commercials	42
Pay-Cable has more entertainment specials	41
Pay-Cable programs are better than shows on regular TV	33
Pay-Cable has more sports	26

- And Rejectors Are Moving Closer To Purchase

Cost and objectionable content are still important concerns among Pay-Cable rejectors. However, the strength of resistance to buying Pay appears to be decreasing. Fewer non-subscribers cite price, and particularly content and program disinterest as "very important" reasons for not subscribing.

Reasons For Not Subscribing To Pay-Cable	Pay-Cable Rejectors '81 (237)	Pay-Cable Rejectors '83 (338)
Pay-Cable is too expensive	46%	41%
Pay-Cable is not worth the money	NA	41
I object to the content of some Pay-Cable programs	43	36*
I would not want my children to see some Pay-Cable programs	37	31
(in homes with children)	(56)	(42)*
I am not interested in the programs offered	39	28*
I would rather watch movies in the theater than on my TV	7	8

- The Major Services Vary Widely In Availability And Subscription

Availability ranges from about one-third to 90%, and subscription from about one-quarter to one-half for the major Pay-Cable channels.

Pay-Cable Channels	% Of Pay Available Households Having Service Available (888)	Subscription Rate Where Available
HBO	89%	51%
Showtime	46	41
Movie Channel	36	36
Cinemax	36	25
Spotlight	11	39
Escapade	9	22

...And Pay Channels Are Watched Every Day

About one-half of Pay households watch the Pay-Cable networks they subscribe to at least once a day, and almost all subscribers watch them a minimum of two to three times per week.

Major Channels	Subscribers	% Of Subscribers Who Watch At Least	
		Once/Day	2-3 Times/Week
HBO	(404)	51	92
Showtime	(166)	46	88
Movie Channel	(114)	45	90
Cinemax	(80)	43	92

- But Not All Subscribers Keep Their Pay-Cable

About one-sixth (17%) of current or previous Basic Cable subscribers have cancelled at least one Pay-Cable subscription for reasons other than changing residence.

	Current Pay Subscribers (550)	Current Pay Rejectors (338)	Current Basic Rejectors (681)
% having cancelled at least one Pay-Cable subscription	21	22	10

...Churn Rates Vary

Among the major Pay services, the rate of subscriber loss varies from a high of one-third for Cinemax to a low of only one-fifth for Showtime.

Major Channels	(Base)	% Of Ever Subscribers Currently Not Subscribing
Cinemax	(120)	33%
Movie Channel	(151)	25%
HBO	(515)	22%
Showtime	(210)	21%

...Too Many Repeats Is The Reason

Moreso than any other reason (51%), churners dropped their Pay-Cable service because it "repeated the same shows too many times". This complaint apparently contributed to perception of low value (42%), and limited viewing (31%).

Possible Reasons For Cancelling Pay-Cable Subscription	% Of Churners Saying "Very Important"
They repeated the same shows too many times	51%
It wasn't worth the money	42
My household didn't watch it very much	31
The programs were not as good as I thought they would be	29
I couldn't afford it	28
I found some of the programs objectionable	28
It was more expensive than I thought it would be	19
My household watched too much TV	6

- Viewers Are Very Interested In Pay-Cable With Ads

In order to identify the potential effect on product acceptance resulting from Pay-Cable TV advertising, all Cable subscribers were asked:

> "Currently, Pay-Cable TV services (like HBO, Showtime, etc.) show programs without commercials and usually cost about $10 per month. How interested would you be in subscribing to similar Pay-Cable TV services if they carried a limited number of commercials and cost less per month (say $5-6 per month)?"

Current Pay-Cable subscribers show high interest in the idea of bringing down the cost of their service via commercials - about two-thirds would be interested in subscribing.

	Pay-Cable Subscribers '81 (223)		Pay-Cable Subscribers '83 (550)	
Very interested in subscribing	31	63%	30	65%
Somewhat interested in subscribing	32		35	
Not too interested in subscribing	18		13	
Not at all interested in subscribing	15		19	

Importantly, both current Pay-Cable rejectors and even Basic Cable rejectors are interested in subscribing to a less expensive Pay service with some advertising.

	Pay Cable Rejectors			Basic Cable Rejectors	
	'81 (237)		'83 (338)		'83 (681)	
Very interested	14	47%	15	43%	13	42%
Somewhat interested	33		28		29	
Not too interested	18		18		20	
Not at all interested	34		37		36	

These results suggest that there is tremendous potential for the judicious use of advertising on Pay-Cable TV.

VIDEO CASSETTE RECORDERS

Highlights And Implications

THE VCR MARKET IS GROWING,
BUT STILL FACES RESISTANCE . . .

Penetration of VCRs is increasing

- 7% of households currently own a VCR (compared to 2.6% two years ago)

And owner satisfaction is very high

- About three-quarters of all VCR owners are very satisfied with their machine

But interest among non-owners is falling

- Only 5% of potential buyers definitely plan to buy (down from 7%), and
- Three-quarters of non-owners do not intend to purchase (versus 69% two years ago)

Price has come down -- and people know it

- 39% of non-owners now estimate the price to be under $500 (up from 29%)
- 71% peg the price at under $750 (up from 50%)

But not far enough, as interested prospects still want a better deal

- 53% of those considering buying are waiting for the price to fall still further

GROWTH COULD COME FASTER . . .

Targeting specific market segments could accelerate growth of VCR sales

- Heavier selling efforts directed at men should be used
  - o Husbands, more than three times as often as their wives, are most influential in deciding to buy a VCR
- Cable households deserve more attention
  - o Pay-Cable subscribers show higher than average interest in VCRs
  - o Movies are the shows most frequently recorded on VCRs

VCR manufacturers should investigate advertising on Cable/Pay-Cable and joint marketing efforts with Cable operators

VCR GROWTH MAY AFFECT ADVERTISING EFFICIENCY . . .

- o Movies, mini-series, and daytime serials are recorded more often than other types of shows
- o But well over half of all VCR owners frequently skip over commercials when watching shows they have recorded

If and when VCRs penetrate a sizeable proportion of TV homes, the advertising value of these frequently recorded program types may be lessened substantially

VIDEO CASSETTE RECORDERS

Detailed Findings

- Awareness Of Video Cassette Recorders[a] Is Growing

Over 60% of the population is now either "very" or "somewhat" familiar with the product.

	Total Sample '81 (2163)		Total Sample '83 (2375)	
Very familiar	16	51%	24	61%*
Somewhat familiar	35		37	
Slightly familiar	41		32	
Never heard of	6		5	

- Ownership Is Growing But Interest Is Not

Ownership of Video Cassette Recorders has increased over the past two years, with 7% of all households now reporting owning a VCR (compared to 2.6% in 1981).

[a]Based on the following description presented to respondents: "A Video Cassette Recorder (VCR) is a machine which attaches to a home TV set and can be used to tape-record TV shows for viewing at a later time, even shows that are broadcast while you are not at home or asleep. It can also be used to play purchased tapes of movies or special programs."

However, purchase interest among non-owners is decreasing. This suggests that the existing segment of interested consumers may represent a ceiling on the eventual penetration of VCRs as currently marketed.

	VCR Non-Owners			
	'81 (2100)		'83 (2203)	
Definitely would buy	7%		5%*	
Probably would buy	22		18*	
Probably would not buy	48	69%	50	76%*
Definitely would not buy	21		26	

...Interest Among Pay-Cable Subscribers Is Even Dropping

Although VCR interest among Pay-Cable households is higher than in the general population, interest here too has declined in the past two years.

	Non Owning Pay-Cable Subscribers			
	'81 (213)		'83 (489)	
Definitely would buy	10%		7%	
Probably would buy	30		26	
Probably would not buy	44	59%	51	66%*
Definitely would not buy	15		15	

- Price Is Still The Obstacle

Although becoming a somewhat less formidable barrier to purchase, the expense of a VCR still represents the most frequently cited reason for not buying a Video Cassette Recorder.

Possible Reasons For Not Buying VCR	% Saying "Very Important" '81 (2100)	'83 (2203)
VCRs are too expensive	60%	50%*
There are very few TV shows worth recording	35	33
I am waiting for the price of VCRs to come down	31	32
I do not know enough about VCRs	27	23*

...People Know The Price Of VCRs Has Fallen

The price of VCRs has dropped considerably in the past two years, and potential buyers know it.

VCR Price Estimate	VCR Non-Owners '81 (2100)	'83 (2203)
$0-$250	7%	7%
$251-$500	22	32*
$501-$750	21	32*
$751-$1,000	30	30
$1,001-$1,250	11	5*
Over $1,250	5	2*

...But Say It Must Drop Even Further

Although people who appear to be closer to making a VCR purchase do indicate that price is not quite as important a problem as previously, compared to two years ago just as many of these consumers are still waiting for the price to come down before buying.

Reasons For Not Buying VCR ("Very Important")	Very/Somewhat Familiar With VCRs '81 (1064) %	Rank	'83 (1301) %	Rank
Too expensive	65	(1)	51*	(1)
Waiting for price to come down	37	(2)	37	(2)

	Definitely/Probably Would Buy A VCR '81 (608) %	Rank	'83 (522) %	Rank
Too expensive	66	(1)	57*	(1)
Waiting for price to come down	51	(2)	53	(2)

- When The Decision To Buy Is Finally Made - It's Made By The Man

Among married households owning VCRs, men were the primary instigators of purchase by more than a three to one ratio compared to their wives.

Family Member Most Interested In Buying VCR		
The Husband		
Reported by husbands	(36)	75%
Reported by wives	(72)	67
The Wife		
Reported by husbands	(36)	19
Reported by wives	(72)	21
Teenagers (55 parents)		22

- And Buyers Are Very Satisfied

Compared to what they expected, owners of VCRs are very satisfied with their purchase

	VCR Owners (168)
Very satisfied with VCR	72%
Somewhat satisfied with VCR	22
Not too satisfied with VCR	3
Not at all satisfied with VCR	1

...Because They Use Their VCRs

The average VCR household records over five hours of programming every week.

Average Hours Recorded By Household Per Week

Hours	VCR Owners (168)	Hours	VCR Owners (168)
0	9%	7-10	13%
1-2	21	11-15	8
3-4	26	16-20	3
5-6	17	21+	2

...To Record Many Kinds Of Programs

VCR owners use their machines to record a wide variety of programming, with movies, followed by programs continued on more than one evening the most frequently recorded types of shows. Some programs, however, such as game shows and news shows are rarely if ever recorded.

Program Type	Frequency Of Recording Among VCR Owners (168) Often	Sometimes	Rarely	Never
Pay-Cable movies*	48%	25	8	12
Movies on regular TV	22%	41	17	16
Programs continued on more than one evening	19%	33	17	27
TV drama series	16%	27	15	37
Situation comedies	16%	14	19	47
Daytime serials	16%	8	8	63
Entertainment specials	14%	32	20	29
Sports shows	10%	30	11	44
Variety shows	4%	15	26	51
News shows	4%	8	16	67
Game shows	1%	4	7	80

*Among 60 Pay-Cable households.

...Heavy VCR Users Record More Kinds Of Shows

Heavy VCR users (record 5 or more hours per week) don't just record more of what light users record, they frequently record many more types of shows. Although both groups like to record movies, light users tend to use their VCR to record "special" kinds of programs, while heavier users often record everyday shows such as daytime serials and sit-coms.

Program Type	% Of VCR Owners "Often" Recording Show Type: Record 5 Or More Hours Per Week (71)	Record 4 Or Fewer Hours Per Week (94)
Pay-Cable Movies*	57%	42%
Movies on regular TV	35	13
Daytime serials	32	4
Programs continued on more than one evening	28	13
Situation comedies	28	6
Drama series	25	10
Sports	13	9
Entertainment specials	11	17
News shows	6	3
Variety shows	4	4
Game shows	1	1

*Among small bases of Pay-Cable/VCR households.

- Almost Everybody Skips Commercials

Well over half of VCR owners "always" or "usually" skip commercials when viewing a recorded program using their VCR, and almost all owners skip over commercials at least "sometimes".

Frequency of Skipping Over Pre-Recorded Commercials	VCR Owners: Total (168)	With Pay Cable (60)	Hours Record/Week: 4 Or Less (71)	5 Or More (94)
Always	32%	27%	30%	35%
Usually	29	32	29	30
Sometimes	25	32	23	28
Never	8	5	10	7
Don't play tapes having commercials	1	0	1	0

VIDEODISC PLAYERS

Highlights And Implications

THE CURRENT VIDEODISC BUSINESS HAS NOT GOTTEN OFF THE GROUND

Ownership and interest are virtually non-existent

- Less than 1% of all households own a VDP
- Only 12% of all consumers show any interest in buying in the future

in spite of the fact that familiarity is growing

- 78% of consumers have at least some familiarity with VDPs (compared with 47% two years ago)

Consumers who know most about VDPs see high price and low utility. They say

- Inability to record (44%)
- Price (34%), and
- Limited software (26%)

are major reasons for not buying

Without product and strategy changes, the VDP business will not survive. Consumers' perceptions, primarily based on familiarity with the stylus-type (non-laser) VDP, must be changed. Sellers must communicate

- Technological advantages of the laser type videodisc player (picture/sound quality, random access, etc.)
- Variety and flexibility of software (informational, games, educational, narrowcasting, entertainment, etc.)

and very importantly,

- Invest sufficiently to insure that the variety of software necessary to drive the business exists

Only with these shifts in marketing orientation will the VDP industry have any chance for success

VIDEODISC PLAYERS

Detailed Findings

- Awareness Of Videodisc Players[a] Has Increased Substantially

About four out of ten consumers are now either "very" or "somewhat" familiar with the product.

	Total Sample '81 (2163)		Total Sample '83 (2375)	
Very familiar	4	14%	11	39%*
Somewhat familiar	10		28	
Slightly familiar	33		39	
Never heard of	52		21	

- But There Still Is Very Little Interest

Despite the increase in awareness, fewer than 1% of all consumers have purchased a VDP - the same level of penetration observed in 1981.

[a]Based on the following description presented to respondents: "A Videodisc Player (VDP) attaches to a television set and allows a person to play programs on purchased pre-recorded videodiscs through the TV. Videodiscs are similar to phonograph records, except that they play both sound and pictures. Videodisc Players are not able to record television programs."

Buying interest has also not increased. Eighty-five percent of all VDP non-owners say that they "definitely" or "probably" would not buy a Videodisc Player in the next few years.

	VDP Non-Owners '81 (2138)		VDP Non-Owners '83 (2349)	
Definitely would buy	3%		3%	
Probably would buy	9		11	
Probably would not buy	54	84%	50	85%
Definitely would not buy	30		35	

Even among those consumers more familiar with VDPs, purchase interest is still very low. Less than one in five of these consumers show any long-range purchase interest.

	Very/Somewhat Familiar With VDPs '81 (305)	Very/Somewhat Familiar With VDPs '83 (916)
Definitely/probably would buy	20%	17%
Definitely/probably would not buy	76	81

...Inability To Record Has Become The Major Problem

Among those consumers having greater familiarity with Videodisc Players, it is clear that limited product function represents the major reason for disinterest in buying. The fact that VDPs are not able to record TV shows is most frequently cited as a "very important" reason for not purchasing a VDP - and the importance of this limitation appears to be growing. Further, poor software selection and limitation to movie viewing contribute substantially toward product resistance.

	% Saying "Very Important" Among Those "Very" or Somewhat" Familiar With VDPs	
	'81 (305)	'83 (902)
Not able to record	38%	44%*
Too expensive	45	34*
Limited selection of discs	25	26
Only show movies	NA	18
Don't know enough	16	8*
Not available	15	5*

VIDEO GAMES

Highlights And Implications

VIDEO GAME SYSTEMS WILL SHOW SLOW GROWTH ...

Although Video Game systems have reached sizeable penetration

- 18% of all households own Video Games
- Among households with children, 32% have purchased Video Games

the market is nearing saturation

- 87% of all non-owners say they will not buy in the next year - only 3% definitely will

and this resistance is strong

- 60% of all non-owners "just don't want it"
- 42% of non-owning parents would prefer that their children do other things in their spare time

As Video Game systems become more and more intertwined with home computers, growth of Video Games may become dependent upon acceptance and growth of home computing.

Video Game marketing may change dramatically.

SALES OF VIDEO GAME SOFTWARE, HOWEVER, SHOULD REMAIN STRONG . . .

The many owners of Video Game systems buy extra games and play them

- The average Video Game home
  - already owns eight game cartridges, and
  - uses its system seven hours per week

VIDEO GAMES

Detailed Findings

- Penetration Of Video Games[a] Is Substantial

Almost one out of five households has purchased a Video Game System.

This success is primarily due to very high penetration among households with children, where one-third of all such homes, and almost one-half of families with 6-12 year olds own Video Games.

	Total Sample (2375)	Have Child (988)	Have Child Aged 0-5 (222)	6-12 (333)	13+ (579)
Own Video Game System	18%	32%	24%	46%	31%

A considerably lower - yet still respectable - 8% of adult only households has purchased a Video Game System.

- But Saturation Is Near

Surprisingly, only 3% of all Video Game non-owning households say they "definitely will buy" a system in the next year, and almost nine out of ten non-owners do not intend to make a purchase.

Purchase interest is somewhat higher among families with children, but still lower than might be expected considering the success of Video Games to date.

[a]Based on the following description presented to respondents: "A Video game system is a device that attaches to your TV set and lets you play games on your TV screen. The system usually has one central box into which you put different game cartridges in order to play different games. The most common brands of Video game systems are Atari, Intellevision, and Odyssey."

	Video Game Non-Owners				
		Have	Have Child Aged		
	Total (1949)	Child (672)	0-5 (168)	6-12 (181)	13+ (467)
Definitely will buy	3%	5%	6%	9%	3%
Probably will buy	9	16	27	17	12
Probably will not buy	39	44	45	43	44
Definitely will not buy	48	35	21	30	40
	87%	79%			

This suggests that, although sales of Video Game software may continue to be strong, sales growth for Video Game systems will be slow.

...Non-Owners Don't Want Video Games

Although high price is an important reason for not buying Video Games, more so than with other new TV technologies non-owners have an active disinterest in the product. This general lack of interest far outweighs any product-specific concerns.

Possible Reasons For Not Buying Video Games	% Saying "Very Important"	
	All Non-Owners (1949)	Non-Owners With Kids (672)
I just don't want it	60%	53%
A Video Game System is too expensive	36	40
I prefer that my children do other things	31	42
Video Games are a bad influence	23	19
My children already watch too much TV	21	27
I already watch too much TV	19	18
I am not familiar with Video Games	18	13
Video Games make me feel tense	15	12
Trying to decide which system to buy is very confusing	13	15
I am waiting to see which system is best	12	14
I am waiting for Video Games to improve	12	14

Apparently, most consumers predisposed toward buying a Video Game system have already entered the market, and generating substantial interest among non-owners will be very difficult.

- Once In The Market, However, Owners Buy More Games And Play Them

The average Video Game household owns about eight game cartridges, and uses its Video Game system about seven hours each week.

	Video Game Owners (421)
# Of Games Owned	
1-5	36%
6-10	33
11-15	17
16-20	5
21-25	2
26+	3
# Of Hours Per Week	
0	10%
1-2	21
3-5	25
6-10	24
11-15	10
16-20	6
21-25	2
26-30	1
31+	1

- Atari Still Dominates

The Atari system and game cartridges are by far the most widely owned, with a somewhat broader distribution of sales among the various manufacturers of specific game cartridges.

	Video Game Owners (421)	
	System Owned	Games Owned
Atari	71%	65%
Intellivision	13	13
Odyssey	10	8
Coleco	4	16
Bally/Astrocade	1	1
Activision		31
Imagic		8
Apollo		2

- Games Are Impacting TV Viewing

Given the high level of Video Game playing, it is not surprising that more than one-third of all Video Game households estimate that they watch less TV since buying their Video Games.

	Video Game Owners (421)	
My households spends...		
Much more time	1%	
A little more time	3	
About the same time	59	
A little less time	30	36%
Much less time	6	
watching TV programs than before		

While it is admittedly difficult for consumers to estimate TV viewing behavior, these findings do suggest that Video Games are negatively impacting TV watching.

INTERACTIVE TV

Highlights and Implications

INTERACTIVE TV SYSTEMS IS BEGINNING TO RISE . . .

Consumers continue to have high interest in passive (automatic) services offered by two-way TV

- Most consumers would like a fire/burglar alarm connected via two-way cable
- Over half find automatic gas/electric meter reading over the cable appealing - high interest considering that many people don't have meters inside their homes

Interest is beginning to increase regarding systems requiring more active participation. Close to half or more of all consumers now show interest in

- Requesting shopping information
- Requesting news information
- Accessing reference material
- Banking from home
- Catalogue shopping at home
- Participating in opinion polls
- Requesting travel schedules
- Making entertainment or travel reservations

The substantial interest shown in accessing news, reference, and shopping information bodes well for information retrieval services such as Videotex and Teletext

INTERACTIVE TV

Detailed Findings

In order to help measure the potential of Interactive TV[a], we have tracked viewers' interest in a variety of possible new services that could be provided by two-way television systems.

- Interest In Passive Systems Is Still High

Eight out of ten people still express interest in a TV connected fire or burglar alarm system. Cable connected alarms, therefore, still represent tremendous potential for Cable operators.

There is also still strong interest in having gas and/or electric meters read automatically over the cable. Over one-half of homes show some interest in such a service - a high level considering that meter readers are not now required to come into many homes.

...And Interest In Active Services Is Growing

Requesting shopping and news information, accessing reference material, banking from home, and catalogue shopping, are of at least some interest to half or more of all households. Also, more consumers than two years prior now express interest in participating in opinion polls, making entertainment reservations, and requesting financial news.

[a]Based on the following description presented to respondents: "In some areas of the country, new and different kinds of television systems have been tried. These new systems increase the number of ways TVs can be used, and usually use special transmitters or computers attached to a person's TV so that information can be sent from the home as well as to it over the TV system."

NEW TV SYSTEMS

Possible Uses For New Systems	"Very/Somewhat Interested" In Having '81 (2163)	'83 (2375)
Connecting the home to fire or burglar alarm system	81%	78%
Requesting shopping information like prices for products at various stores	70	69
Requesting news,weather, traffic information, sports scores	65	67
Requesting to see reference material (encyclopedias, dictionaries, newspapers)	NA	57
Automatic reading of gas or electric meter	55	56
Banking from home	52	56*
Catalogue shopping at home by ordering products shown on TV	NA	51
Participating in opinion polls	44	48*
Making your own ticket reservations for sports events,concerts, theater	43	47*
Making your own travel reservations - airplane, train,bus, hotel room	46	45
Requesting travel schedule information - airplane,train, bus schedules	46	45
Requesting financial news - interest rates, stock prices	33	41*
Grocery shopping at home	NA	32

- However, People Still Need To Be Convinced

Despite increasing interest in the new systems, many people still show substantial resistance toward two-way TV.

Generally, consumers express preference for doing things the old way as good reason for not being interested in interactive TV. Specifically, wanting to see things before buying (61%), desire to bank in person (42%), and liking to go out shopping (40%) are cited as "very important" reasons for not wanting the new systems.

Also, a general lack of perceived need (I just don't need it - 49%), while diminishing in scope, still represents a meaningful obstacle to the growth of interactive TV.

Major Reasons For Not Wanting New Systems	% Saying "Very Important"	
	'81 (2163)	'83 (2375)
I like to see things in person before I buy	59%	61%
I just don't need it	55	49*
I'd rather do banking in person	43	42
I like to go out shopping	34	40*
I want to relax when watching TV, not push buttons	30	31
I might be tempted to buy things I don't need	30	29
Being hooked up to a computer would invade my privacy	29	27